Welcome ................................................................................................................... 3
About the Strategic Management Society ......................................................... 5
2013 Board of Directors ....................................................................................... 6
Past Annual International Conferences ......................................................... 7
2013 Awards ........................................................................................................... 8
Conference Paper Awards ............................................................................... 9
Registered Attendees Distribution ................................................................. 13
Hotel Maps ........................................................................................................ 14
Conference Information .................................................................................... 16
Conference at a Glance ...................................................................................... 17
My Schedule Overview ..................................................................................... 18
2013 Review Committee ................................................................................... 20
Conference Tracks ............................................................................................. 22
Pre-Conference Sessions ............................................................................... 23
Sunday Sessions ................................................................................................. 25
Monday Sessions ................................................................................................. 42
Tuesday Sessions ................................................................................................. 94
Exhibitors ........................................................................................................... 142
Presenter Index ................................................................................................. 151
Dear colleagues,

Welcome to Atlanta and to the 33rd Annual International Conference of the Strategic Management Society.

Known as the “Capital of the New South,” Atlanta is a vibrant and growing city steeped in U.S. history. It provides the perfect backdrop for discussions around the theme of Strategy and Sustainability. Atlanta continues to sustain economic growth and development while being challenged by the many issues of environmental and social sustainability that surround economic prosperity. The city, like many of us, is actively seeking to better understand the nature of sustainability in all of its dimensions.

This year’s program promises to provide important insights into sustainability as it relates to strategy research and practice today. The Interest Group track chairs have each developed an exciting slate of workshops, panel presentations, and paper sessions that highlight cutting edge thinking and research. Similarly, the conference track chairs have built programs that highlight the increasing importance of sustainability as both a goal and a context for strategy scholars and practitioners.

As you browse through the full program to plan your own conference schedule, we would like to highlight for you the plenary events and showcase sessions that will provide insight and food for thought on the nature of strategy and sustainability. We begin with the four plenary sessions:

Rita McGrath (Columbia University), Brian McManus (Global Growth & Strategy Leader and COO of Accenture’s Strategy and Transformation Consulting Practice), and V. Ganapathy Subramanian (Head of Strategy and Planning at Infosys) will open the conference on Sunday with a plenary entitled The Future of Strategy in a Transient Advantage World. The panelists will discuss the challenges and possibilities of creating sustainable advantage in an increasingly complex and fast-paced business environment.

On Monday we will hear from two individuals who have made significant contributions to our understanding of strategy and sustainability. Neville Isdell, former Chairman and CEO of Coca-Cola and an active advocate for “connected capitalism” will receive the Lifetime Achievement Award. Clayton Christensen (Harvard University), well known for his work on innovation and growth, will receive the C.K. Prahalad Award.

Is Green Green? In this plenary on Tuesday afternoon, Cynthia Cantor (Chief Marketing Officer, GE Power & Water), Ed Rogers (Director of Corporate Strategy, UPS), and Stuart Hart (Cornell University) will discuss Strategy and Sustainability from different vantage points.

We are also pleased to offer a number of showcase panels. Please check the conference program for detailed information about these sessions.

No SMS conference would be complete without social engagements that provide unique opportunities for networking and catching up with colleagues and coauthors. We look forward to welcoming you to the conference at the opening reception at the Omni Hotel Saturday evening from 19:00-21:00. Monday’s gala event will be held at the Georgia Aquarium. Just a short walk from the hotel, SMS attendees and their pre-registered guests will have exclusive, after-hours access to the aquarium’s galleries, Deepo’s Undersea 3D Wondershow, and the unique experience of dining alongside whales, sharks, and living reefs. A reception at 19:00 will close the conference on Tuesday.

In closing, we wish to offer our thanks to the track chairs, IG chairs, reviewers, speakers, presenters, and the SMS staff for their roles in the planning and execution of this year’s conference. And thanks to you for joining us in Atlanta; we hope that you enjoy the conference and your visit to our city.

Pamela Barr
Frank T. Rothaermel
Program Co-Chairs
Dear Conference Participant:

We are pleased to welcome you to Atlanta for the 33rd Annual International Conference of the Strategic Management Society where we will engage in conversation around the theme of Strategy and Sustainability. In today’s challenging global economic, environmental and social climate, questions about sustainability in all its dimensions have captured the attention of organization leaders, academics and consultants alike.

Our four conference tracks and thirteen Interest Group tracks include the best of the hundreds of proposals that were submitted for presentation at the conference. In addition, our Program Co-Chairs, Pam Barr and Frank Rothaermel, have organized a set of exciting plenary and showcase panel sessions. Our Atlanta Extensions—one-day topical workshops held before and after the conference—have been organized by academic institutions to take place in Houston, TX; Knoxville, TN; Charleston, SC; and Atlanta, GA.

The primary goal of the SMS Annual Conference—indeed, the primary goal of all of the SMS’s varied activities—is to promote excellence in the study and practice of strategic management. We are supported in this endeavor by the efforts of literally thousands of volunteers who review proposals, organize Interest Group programs, serve on editorial boards, nominate and choose SMS award winners, and in countless other ways help enrich the conversation about strategy and strategic management within the Society. We are extremely grateful for all the people who make this conference, along with all the other SMS activities, possible.

The SMS is a growing and dynamic organization. We encourage you to stay in touch with all the latest developments by visiting the SMS website, by attending the SMS Business Meeting that will be held here at this Conference, and by reading the SMS newsletter and Annual Report.

The annual conference always provides an opportunity to network with friends and colleagues, present and receive feedback on the latest research, and enjoy the ambiance in a vibrant city. We hope you have an enlightening and enjoyable conference, and please, experience all the delights Atlanta has to offer!

Robert Hoskisson
President

Nikolaus Pelka
Executive Director
A Professional Society for the Advancement of Strategic Management

The Strategic Management Society (SMS) is unique in bringing together the worlds of reflective practice and thoughtful scholarship. The Society focuses on the development and dissemination of insights on the strategic management process, as well as on fostering contacts and interchange around the world.

The SMS is membership-based and was founded at an inaugural meeting in London in 1981. Today, it enjoys the support of close to 3,000 members representing over 1,200 institutions and companies in over 80 countries. Our activities are made possible through the dedicated support from hundreds of individuals who take on a variety of responsibilities, volunteering their time and expertise.

**MEETINGS**

The SMS holds an annual meeting at various sites around the world, typically alternating between North America and Europe; some past locations included Amsterdam, Baltimore, Barcelona, Berlin, Boston, Chicago, London, Mexico City, Montreal, Orlando, Paris, Philadelphia, Phoenix, San Francisco, San Juan, Singapore, Stockholm, Toronto, Vancouver, Vienna, San Diego, Cologne, Germany, Washington DC, Rome, Miami and most recently, Prague. Each conference addresses a current theme, with specific tracks addressing sub-themes, and presents multiple sessions by leading experts in the field from around the world.

The SMS has responded to membership interest in special topics through its introduction of a series of smaller, regionally based meetings addressing more specific industry or subject themes. Conferences have taken place in such places as Shanghai, Catania, Hyderabad, Rio de Janeiro, San Diego, Singapore, Guangzhou, Lake Geneva and Glasgow.

**PUBLICATIONS**

The Strategic Management Society is proud to be involved with Wiley & Blackwell in the publication of leading journals and innovative books, which for more than three decades have been vital tools for the benefit of researchers and practitioners in the field. The *Strategic Management Journal* (SMJ) has since its inception in 1980 been the official journal of the Strategic Management Society. This Class A journal is consistently rated one of the top publications in the management area. We also offer two quarterly journals, the *Strategic Entrepreneurship Journal* (SEJ) and the *Global Strategy Journal* (GSJ). The intent is for these two publications to become Class A journals that promote the development and dissemination of advances in the field by maintaining the highest standards of intellectual thought combined with practical relevance, just as their sister publication, the SMJ has done for many years. The SMS Book Series focuses on cutting edge concepts/topics in strategic management theory and practice. The books emphasize building and maintaining bridges between theory and practice. They generate and test theories of strategic management and demonstrate how to learn, understand and apply these theories in practice.

**SMS INTEREST GROUPS AND COMMUNITIES (IG&C)** The primary purpose of the Interest Groups and Communities within the SMS is to act as a catalyst for building and disseminating new ideas in research, practice, and teaching around a set of core issues in strategic management. Each Interest Group and Community recognizes a major, individual stream of practice and research interest, and aims to serve the needs of members with special interests in this stream of work. Members of the SMS can elect to join up to two Groups and one Community of their choice; additional Interest Groups may be added for a nominal fee.
2013 BOARD OF DIRECTORS

Robert Hoskisson
Rice University
President

Marjorie Lyles
Indiana University
President Elect

Jay Barney
University of Utah
Past President

Steven Floyd
University of Massachusetts
Treasurer

Nikolaus Pelka
Strategic Management Society
Executive Director

Laura B. Cardinal
University of Houston

Javier Gimeno
INSEAD

Costas Markides
London Business School

Pamela Barr
Georgia State University

Russell Coff
University of Wisconsin-Madison

Richard Whittington
University of Oxford

Africa Ariño
IESE Business School

Robert Burgelman
Stanford University

Margaret Peteraf
Dartmouth College
<table>
<thead>
<tr>
<th>Year</th>
<th>City</th>
<th>Theme</th>
<th>Program Chairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>London</td>
<td>Global Strategic Management in the 1980's</td>
<td>Derek Channon &amp; Hugh Parker</td>
</tr>
<tr>
<td>1983</td>
<td>Paris</td>
<td>Making Strategy Work</td>
<td>Dominique Heau</td>
</tr>
<tr>
<td>1984</td>
<td>Philadelphia</td>
<td>Targeting Strategies</td>
<td>Peter Lorange</td>
</tr>
<tr>
<td>1985</td>
<td>Barcelona</td>
<td>The Essence of Strategic Management</td>
<td>Eduard Ballarin</td>
</tr>
<tr>
<td>1986</td>
<td>Singapore</td>
<td>Cultures and Competitive Strategies</td>
<td>Peter FitzRoy &amp; Gordon Redding</td>
</tr>
<tr>
<td>1987</td>
<td>Boston</td>
<td>Strategy: Prospect and Retrospect</td>
<td>Joseph Bower &amp; Andrall Pearson</td>
</tr>
<tr>
<td>1988</td>
<td>Amsterdam</td>
<td>Winning Strategies for the 1990's</td>
<td>Jan Eppink</td>
</tr>
<tr>
<td>1989</td>
<td>San Francisco</td>
<td>Strategies for Innovation</td>
<td>Robert Harris</td>
</tr>
<tr>
<td>1990</td>
<td>Stockholm</td>
<td>Strategic Bridging: To Meet the Challenges of the Nineties</td>
<td>Leif Melin &amp; Hans-Olof Hagén</td>
</tr>
<tr>
<td>1991</td>
<td>Toronto</td>
<td>The Greening of Strategy – Sustaining Performance</td>
<td>David Hurst &amp; Rod White</td>
</tr>
<tr>
<td>1992</td>
<td>London</td>
<td>Strategic Renaissance: The Transformation of Economic Enterprise</td>
<td>James Kelly</td>
</tr>
<tr>
<td>1993</td>
<td>Chicago</td>
<td>Integrating Strategy</td>
<td>Edward Zajac</td>
</tr>
<tr>
<td>1995</td>
<td>Mexico City</td>
<td>Strategic Discovery: Opening New Worlds</td>
<td>Raul Alvarado</td>
</tr>
<tr>
<td>1996</td>
<td>Phoenix</td>
<td>Competing in the New Economy: Managing Out of Bounds</td>
<td>Gary Hamel &amp; C K Prahalad</td>
</tr>
<tr>
<td>1997</td>
<td>Barcelona</td>
<td>Managing in an Interconnected World</td>
<td>Joan E Ricart</td>
</tr>
<tr>
<td>1998</td>
<td>Orlando</td>
<td>Tailoring Strategy – One Size Does Not Fit All</td>
<td>Kevin Coyne</td>
</tr>
<tr>
<td>1999</td>
<td>Berlin</td>
<td>Winning Strategies in a Deconstructing World</td>
<td>Dieter Heuskel &amp; Rudi K F Shelton</td>
</tr>
<tr>
<td>2001</td>
<td>San Francisco</td>
<td>Reinventing Strategic Management – Old Truths and New Insights</td>
<td>Richard Bettis &amp; Derek Dean</td>
</tr>
<tr>
<td>2002</td>
<td>Paris</td>
<td>Old Barriers Crumbling, New Barriers Rising</td>
<td>Rene Abate &amp; Karel Cool</td>
</tr>
<tr>
<td>2004</td>
<td>San Juan</td>
<td>Strategic Balance: Driving Innovation And Maintaining Performance</td>
<td>Patricia Gorman Clifford &amp; Steven Floyd</td>
</tr>
<tr>
<td>2005</td>
<td>Orlando</td>
<td>Strategic Management: Achievements And Opportunities</td>
<td>Irene Duhaime &amp; Carl W Stern</td>
</tr>
<tr>
<td>2006</td>
<td>Vienna</td>
<td>Strategy and Governance in a World of Institutional Change</td>
<td>Javier Gimeno</td>
</tr>
<tr>
<td>2007</td>
<td>San Diego</td>
<td>The Challenges of Non-Market Influences on Market Strategies</td>
<td>Peter Ring</td>
</tr>
<tr>
<td>2008</td>
<td>Cologne</td>
<td>How Does Knowledge Matter?</td>
<td>Javier Gimeno &amp; Jens Schaedler</td>
</tr>
<tr>
<td>2009</td>
<td>Washington DC</td>
<td>Strategies in an Uncertain World</td>
<td>Thomas Mellewigt</td>
</tr>
<tr>
<td>2010</td>
<td>Rome</td>
<td>Strategic Management at the Crossroads</td>
<td>Giovanni Battista Dagnino, Rosario Faraci, Gianmario Verona, &amp; Maurizio Zollo</td>
</tr>
</tbody>
</table>
| 2011 | Miami     | Strategies for a Multi-Polar World: National Institutions And Global Competition | Jose de la Torre
| 2012 | Prague    | Strategy in Transition                                                | Björn Ambos, Igor Filatotchev, Ondrej Landa                                                      |
All award winners will be announced and recognized during the Tuesday Awards Luncheon. Visit the SMS Website (www.strategicmanagement.net) for a complete list of past winners.

Dan and Mary Lou Schendel Best Paper Prize
In 1993, some thirteen years after the Strategic Management Journal was launched, an annual best paper prize was established by co-sponsors John Wiley & Sons and the Strategic Management Society to honor substantial work published in the SMJ. The award was renamed to its current title in 2007 honoring the contributions of Dan and Mary Lou Schendel to the SMJ. The award is for a paper published five or more years prior to teaching, and/or practice. Once eligible, a paper remains eligible until selected as the best paper. Continued eligibility allows recognition to be made for those insights and findings that sometimes occur before their time and only become widely recognized as significant until other work is published. Authors of the winning paper receive a monetary award of US$ 5,000.

SMS Emerging Scholar Award
Inaugurated in 2007, the prize is awarded annually to a relatively young or new scholar, who displays exemplary scholarship in research, education and related academic activities that seek to improve current strategic management practice. The criteria for this award recognizes a portfolio of work that suggests the candidate will make fundamental contributions to the way we think about knowledge essential to achieving durable organizational success. Eligible to be nominated are members of the SMS. The likely winner of the award will be under the age of 40 with at least 5 years since his/her PhD, and have a record of publications and professional activity that has demonstrated their work to be significant and with impact. The recipient of this Award will receive US$ 5,000 and has the opportunity to present his or her research at the SMS Annual International Conference.

CK Prahalad Distinguished Scholar-Practitioner Award
Introduced in 2011, this award was created in honor of CK Prahalad. The award recognizes excellence in the application of theory and research in practice. These include but are not limited to contributions to knowledge through the extraction of learning from practice; authored scholarly works that have substantially affected the practice of management; and/or the integration of research and practice. A scholar-practitioner who has used applied learning to influence how theory and research guide practice will be honored by this award. Special attention will be given to a scholar-practitioner whose contributions have shaped the understanding of global strategic leadership.

SMS Lifetime Achievement Award
The SMS presents the Lifetime Achievement Award to honor the highest level of achievement in strategic management by a business leader. This award is only presented when an appropriate honoree is identified. The recipient of this award has demonstrated sustained strategic leadership and innovation that significantly altered strategy practice and is recognized as influencing the scholarly debate in leading academic institutions.

SMS Best Conference Paper Prize
The Strategic Management Society first presented this prize in 1998 to honor the best paper presented at the SMS Annual International Conference. Nominated authors are invited to submit a full version of their submitted proposal. The papers are reviewed and 10 finalists are named prior to the conference. Decisions are mainly based on the soundness of the conceptual development, the originality and application of the appropriate methodology. The prize for the best conference paper consists of a US$ 1,500 award. In addition, four other papers receive Honorable Mention prizes consisting of a US$ 750 award.

SMS Best Conference Paper Prize for Practice Implications
This award was inaugurated following the initiative of the Practice of Strategy Interest Group and is co-sponsored by the publishing house Wiley-Blackwell. Nominated authors are invited to submit a full version of their submitted proposal for consideration by the committee. These papers are reviewed and 5 finalists are named prior to the conference. The primary criterion for this prize is practitioner relevance. At the margin some weigh may also be given to practitioner (co-) authorship or research sponsorship and funding. The prize for the best conference paper for practice implications consists of a US $1,000 award.

SMS Best Conference PhD Paper Prize
The SMS with the initial support from the consulting firm Booz Allen Hamilton created this award in 2000 in recognition of a PhD candidate’s presentation of an outstanding paper at the SMS Annual International Conference. The award is granted to PhD candidates, who are the primary authors of an accepted proposal for the conference. All qualifying authors have been invited to submit a full version of their paper for consideration by a review committee in this competition. Five winners are honored as SMS Best Conference PhD Paper Prize recipients and will receive awards of US$ 1,500 each.

Friend of the SMS
To distinguish those who have contributed over the years and have become pillars of our Society, in 2006 the recognition as Friend of the SMS was introduced to the conference. Recognized are conference attendees, who either have been SMS members for 20 or more years, attended 10 or more annual conferences, served as a program chair of a past conference, served as a Board member of the Society, or have been elected to the Fellows Group within the SMS. As a sign of recognition and appreciation, a golden SMS logo is added to the conference name badges of these individuals. The names of the Friends of the SMS are also displayed during the program intermissions on the projections screens of the plenary hall at the conference.
**SM*<sup>2</sup>** BEST CONFERENCE PAPER PRIZE

The following ten papers have been selected as finalists out of 52 nominated and submitted papers for this award. You will find these papers indicated throughout the program. The winning paper and the honorable mentions will be announced at the Tuesday Awards Luncheon.

**MONDAY**
**TRACK F | SESSION 71 | 08:00-09:15**
Why There?: Decomposing the Choice of Target Industry  
Lasse Lien, Norwegian School of Economics  
Peter Klein, University of Missouri

**MONDAY**
**TRACK I | SESSION 146 | 08:00-09:15**
Shift in Value Creation: Competence-Destroying Discontinuity on Complementary Assets  
Alessio Cozzolino, Bocconi University  
Gianmario Verona, Bocconi University

**MONDAY**
**TRACK M | SESSION 187 | 08:00-09:15**
A Participatory Approach To Stakeholder Engagement: Defining A Hierarchy Of Strategic Action  
Lite Narkey, University of South Carolina  
Sinziana Dorobantu, New York University  
Witold Henisz, University of Pennsylvania

**MONDAY**
**TRACK N | SESSION 8 | 08:00-09:15**
Ambiguous Adaptation: The Effect of Formal Governance and Informal Adaptation on Premature Relationship Termination  
Marcus Møller Larsen, Copenhagen Business School  
Jacob Lyngsie, Copenhagen Business School

**MONDAY**
**TRACK A&B | SESSION 67 | 09:45-11:00**
Do Managers Systematically Underestimate the Potential for Waste Reduction?  
Luca Berchici, Erasmus University-Rotterdam  
Andrew King, Dartmouth College

**MONDAY**
**TRACK E | SESSION 87 | 09:45-11:00**
Value Appropriation, Search Frictions, and Secondary Markets  
Robert Seamans, New York University  
Victor Bennett, University of Southern California  
Feng Zhu, University of Southern California

**MONDAY**
**TRACK G | SESSION 126 | 17:00-18:15**
Cap-(ture) and-Trade: Arbitraging by multinational firms in the EU Emissions Trading Scheme (EU ETS)  
Sanjay Patnaik, George Washington University

**TUESDAY**
**TRACK C | SESSION 110 | 09:45-11:00**
Can Firms Pay Less By Doing Good? The Effect of Corporate Philanthropy on Employee Salary Requirements  
Vanessa Burbano, University of California-Los Angeles

**TUESDAY**
**TRACK E | SESSION 89 | 15:45-17:00**
Estimating Value Creation from Revealed Preferences: Application to Value-Based Strategy  
Olivier Chatain, University of Pennsylvania

**TUESDAY**
**TRACK I | SESSION 144 | 17:15-18:30**
Recruitment, Resistance to Change, and Obsolescence  
Amit Jain, National University of Singapore
**SMS BEST CONFERENCE PAPER FOR PRACTICE IMPLICATIONS AWARD**

The following five papers have been selected as finalists out of 27 nominated and submitted papers for this award. You will find these five papers indicated throughout the program. The winning paper will be announced at the Tuesday Awards Luncheon.

**MONDAY**

**TRACK E | SESSION 87 | 9:45 – 11:00**  
Value Appropriation, Search Frictions, and Secondary Markets  
Robert Seamans, New York University  
Victor Bennett, University of Southern California  
Feng Zhu, University of Southern California

**MONDAY**

**TRACK H | SESSION 117 | 9:45 – 11:00**  
Strategic Management of Sustainability: The Struggle for Legitimacy  
Monika Lesner, Leuphana University of Lüneburg  
Jan-Florian Schlapfner, Leuphana University of Lüneburg  
Markus Reihlen, Leuphana University of Lüneburg

**MONDAY**

**TRACK K | SESSION 24 | 14:00 – 15:15**  
The Shadow of the Past: Examining the Influence of Prior Founding Experience on Later Venture Success  
Amrita Lahiri, University of Washington  
Anu Wadhwa, EPFL

**TUESDAY**

**TRACK M | SESSION 189 | 8:00 – 9:15**  
New Dimensions to Firm-Stakeholder Relationships through Social Media: Examination of Electric Power Companies’ Twitter  
Eun-Hee Kim, George Washington University  
Yoon Yoon, George Washington University

**TUESDAY**

**TRACK M, A&B | SESSION 190 | 11:00 – 12:15**  
A Naturalistic Stakeholder View of Social Welfare  
J W Stoelhorst, University of Amsterdam  
Flore Bridoux, University of Amsterdam
**SMS BEST CONFERENCE PhD PAPER PRIZE**

The following 10 papers have been selected as finalists from 238 nominated papers for this award. You will find these papers indicated throughout the program. The five winning papers will be announced at the Tuesday Awards Luncheon.

**SUNDAY**

**TRACK N | SESSION 9 | 15:15 – 16:30**

Do Knowledge Flows Trigger Interfirm Cooperation? Evidence from the Enterprise Software Industry

Hyun Ju Jung, Georgia Institute of Technology

**TUESDAY**

**TRACK F | SESSION 81 | 8:00 – 9:15**

The Competitive Advantage of Business Groups: Entrepreneurial or Rent Seeking? Evidence From North Africa

Addis Gedefaw Birhanu, Bocconi University

**MONDAY**

**TRACK F | SESSION 71 | 8:00 – 9:15**

The State, Government Officials’ Political Incentives and Corporate Diversification in an Emerging Economy

Danqing Wang, INSEAD

**TUESDAY**

**TRACK L,I | SESSION 219 | 11:00 – 12:15**

Human-Capital and Power Structure: Understanding Technological Exploration in New-Ventures

Jaclyn Shor, Drexel University

Daniel Tzabbar, Drexel University

**MONDAY**

**TRACK H | SESSION 117 | 9:45 – 11:00**

Strategic Management of Sustainability: The Struggle for Legitimacy

Monika Lesner, Leuphana University of Lüneburg

Jan-Florian Schlafpfrn, Leuphana University of Lüneburg

Markus Reihlen, Leuphana University of Lüneburg

**TUESDAY**

**TRACK G | SESSION 217 | 15:45 – 17:00**

Managing Levels of CSR Implementation within an MNC: The Role of Receptivity to Institutional Pressures

Anne Jacqueminet, HEC-Paris

Rodolphe Durand, HEC-Paris

**MONDAY**

**TRACK I | SESSION 148 | 9:45 – 11:00**

Cognitive Microfoundations of a Dynamic Capability: What Leads to Business Model Innovation in New Firms?

Yuliya Snihur, Toulouse Business School

Christoph Zott, IESE Business School

**TUESDAY**

**TRACK M | SESSION 188 | 15:45 – 17:00**

Firm Response to Environmental Activism: The Contingent Nature of Secondary Stakeholder Salience

Trey Sutton, Florida State University

**MONDAY**

**TRACK K | SESSION 24 | 14:00 – 15:15**

The Shadow of the Past: Examining the Influence of Prior Founding Experience on Later Venture Success

Amrita Lahiri, University of Washington

Anu Wadhwa, EPFL

**TUESDAY**

**TRACK A&B | SESSION 105 | 17:15 – 18:30**

The Locus of Capabilities in Emerging Markets: Micro-Macro Resource Grafting by Leading Domestic Firms

Aline Gatignon, INSEAD

Laurence Capron, INSEAD
SMS EMERGING SCHOLAR AWARD 2013

The recipient of the 2013 SMS Emerging Scholar Award presents and discusses current research.

MONDAY
TRACK S | SESSION 236 | 09:45–11:00

SMS Emerging Scholar Presentation
2013 SMS Emerging Scholar

CK PRAHALAD DISTINGUISHED SCHOLAR-PRACTITIONER AWARD

MONDAY
TRACK Q | SESSIONS 291 | 12:00–12:45

CK Prahalad Distinguished Scholar-Practitioner Award Honoring Clayton Christensen
Clayton Christensen, Harvard University

SMS LIFETIME ACHIEVEMENT AWARD

The recipient of the SMS Lifetime Achievement Award is Neville Isdell. He will be presented this award in the following session:

MONDAY
TRACK Q | SESSION 59 | 11:15–12:00

SMS Lifetime Achievement Award Honoring Neville Isdell
Neville Isdell, Coca-Cola Company
The countries printed in blue indicate the geographical distribution of this year’s conference attendees. All data is of September 10, 2013.

Our attendees are from 41 different countries.

1670 unique authors submitted for review to the competitive portion.

665 reviewers worked to make this conference possible.

Our attendees represent over 400 institutions, companies and firms.

**CONFERENCE STATISTICS**

<table>
<thead>
<tr>
<th>Total number of competitive sessions</th>
<th>Conference Attendees By Region</th>
<th>Conference Presenters By Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper 117</td>
<td>North America 53% 482</td>
<td>49% 349</td>
</tr>
<tr>
<td>Common Ground 23</td>
<td>Europe 35% 316</td>
<td>39% 282</td>
</tr>
<tr>
<td>Panel 5</td>
<td>Asia 7% 60</td>
<td>8% 54</td>
</tr>
<tr>
<td><strong>Total number of non-competitive sessions</strong></td>
<td>Australia/New Zealand 2% 18</td>
<td>2% 14</td>
</tr>
<tr>
<td>Interest Group 36</td>
<td>Middle East 1% 9</td>
<td>&gt;1% 4</td>
</tr>
<tr>
<td>Showcase Panels 7</td>
<td>Latin America 1% 13</td>
<td>1% 11</td>
</tr>
<tr>
<td>Plenaries and Keynotes 4</td>
<td>Africa &gt;1% 5</td>
<td>&gt;1% 3</td>
</tr>
<tr>
<td>Workshops 8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>903</strong></td>
<td></td>
<td><strong>717</strong></td>
</tr>
</tbody>
</table>

**ATTENDEES BY REGION**

<table>
<thead>
<tr>
<th>Conference Attendees By Region</th>
<th>Conference Presenters By Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America 53% 482</td>
<td>49% 349</td>
</tr>
<tr>
<td>Europe 35% 316</td>
<td>39% 282</td>
</tr>
<tr>
<td>Asia 7% 60</td>
<td>8% 54</td>
</tr>
<tr>
<td>Australia/New Zealand 2% 18</td>
<td>2% 14</td>
</tr>
<tr>
<td>Middle East 1% 9</td>
<td>&gt;1% 4</td>
</tr>
<tr>
<td>Latin America 1% 13</td>
<td>1% 11</td>
</tr>
<tr>
<td>Africa &gt;1% 5</td>
<td>&gt;1% 3</td>
</tr>
<tr>
<td><strong>903</strong></td>
<td><strong>717</strong></td>
</tr>
</tbody>
</table>
Meetings room capacities are determined by use of the "Arranger & Comfort Calculator," a standardized meeting room capacity measurement system used by Meeting Professionals International. 60" banquet capacities are based on 8 persons per table. 72" banquet capacities are based on 10 persons per table.
Recommended Dress
Business casual attire is recommended for all conference sessions.

Monday Evening Event
We hope you join us for an evening at the Georgia Aquarium! Conference attendees will have exclusive, after-hours access to the aquarium’s galleries, Deepo’s Undersea 3D Wondershow and the unique experience of dining alongside whales, sharks and living reefs. The dress for this event is business casual & conference name badges are required for entrance into the event.

Name Badges
Name badges must be worn by attendees, guests, and exhibitors at all times. Your name badge will be your ticket to luncheons and evening events. Access to these functions will be denied if you are without your name badge.

Name Tents
Presenters on the program receive a name tent as part of their registration materials. If you are a presenter, it is your responsibility to bring this name tent with you to your session and to place it in front of you on the speaker’s table before your presentation.

Exchange of Handouts and Presentations
Upload and download functionality is available on the conference website and we have invited presenters to make their handouts and presentations available through this mechanism. If presenters have accepted this invitation, you will find a download button next to the presentation on the particular session page of the conference website.

No Smoking Policy
In consideration of all attendees, we request that there be no smoking during all sessions and meal functions. Please note that the entire hotel is non-smoking.

Internet Café
There will be an internet café located in International Ballroom E, located on the M2 level in the North Tower.
<table>
<thead>
<tr>
<th>DAY</th>
<th>TIME</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>SATURDAY, SEPTEMBER 28, 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19:00 — 21:00</td>
<td>Welcome Reception</td>
<td></td>
</tr>
<tr>
<td>SUNDAY, SEPTEMBER 29, 2013</td>
<td>08:00 — 09:15</td>
<td>Interest Group Sessions</td>
</tr>
<tr>
<td>09:15 — 09:45</td>
<td>AM Coffee Break</td>
<td></td>
</tr>
<tr>
<td>09:45 — 11:00</td>
<td>Interest Group Sessions</td>
<td></td>
</tr>
<tr>
<td>11:15 — 12:30</td>
<td>Interest Group Sessions</td>
<td></td>
</tr>
<tr>
<td>12:30 — 13:30</td>
<td>Lunch</td>
<td></td>
</tr>
<tr>
<td>13:45 — 14:45</td>
<td>Plenary: The Future of Strategy in a Transient Advantage World</td>
<td></td>
</tr>
<tr>
<td>14:45 — 15:15</td>
<td>PM Coffee Break</td>
<td></td>
</tr>
<tr>
<td>15:15 — 16:30</td>
<td>Paper/Common Ground/Panel Sessions</td>
<td></td>
</tr>
<tr>
<td>16:45 — 18:00</td>
<td>Interest Group Business Meetings</td>
<td></td>
</tr>
<tr>
<td>18:15 — 19:00</td>
<td>SMS Business Meeting</td>
<td></td>
</tr>
<tr>
<td>MONDAY, SEPTEMBER 30, 2013</td>
<td>08:00 — 09:15</td>
<td>Paper/Common Ground/Panel Sessions</td>
</tr>
<tr>
<td>09:15 — 09:45</td>
<td>AM Coffee Break</td>
<td></td>
</tr>
<tr>
<td>09:45 — 11:00</td>
<td>Paper/Common Ground/Panel Sessions</td>
<td></td>
</tr>
<tr>
<td>11:15 — 12:00</td>
<td>Plenary: Lifetime Achievement Award</td>
<td></td>
</tr>
<tr>
<td>12:00 — 12:45</td>
<td>Plenary: CK Prahalad Award</td>
<td></td>
</tr>
<tr>
<td>12:45 — 13:45</td>
<td>Lunch</td>
<td></td>
</tr>
<tr>
<td>14:00 — 15:15</td>
<td>Paper/Common Ground/Panel Sessions</td>
<td></td>
</tr>
<tr>
<td>15:30 — 16:30</td>
<td>Showcase Panels</td>
<td></td>
</tr>
<tr>
<td>16:30 — 17:00</td>
<td>PM Coffee Break</td>
<td></td>
</tr>
<tr>
<td>17:00 — 18:15</td>
<td>Paper/Common Ground/Panel Sessions</td>
<td></td>
</tr>
<tr>
<td>19:00 — 22:00</td>
<td>Monday Night Event</td>
<td></td>
</tr>
<tr>
<td>TUESDAY, OCTOBER 1, 2013</td>
<td>08:00 — 09:15</td>
<td>Paper/Common Ground/Panel Sessions</td>
</tr>
<tr>
<td>09:15 — 09:45</td>
<td>AM Coffee Break</td>
<td></td>
</tr>
<tr>
<td>09:45 — 10:45</td>
<td>Plenary: Is Green Green?: Insights from Industry and Academia</td>
<td></td>
</tr>
<tr>
<td>11:00 — 12:15</td>
<td>Paper/Common Ground/Panel Sessions</td>
<td></td>
</tr>
<tr>
<td>12:15 — 14:00</td>
<td>Award Lunch</td>
<td></td>
</tr>
<tr>
<td>14:15 — 15:15</td>
<td>Showcase Panels</td>
<td></td>
</tr>
<tr>
<td>15:15 — 15:45</td>
<td>PM Coffee Break</td>
<td></td>
</tr>
<tr>
<td>15:45 — 17:00</td>
<td>Paper/Common Ground/Panel Sessions</td>
<td></td>
</tr>
<tr>
<td>17:15 — 18:30</td>
<td>Paper/Common Ground/Panel Sessions</td>
<td></td>
</tr>
<tr>
<td>19:00 — 20:00</td>
<td>Closing Reception</td>
<td></td>
</tr>
</tbody>
</table>
# MY SCHEDULE OVERVIEW

## SATURDAY SEPTEMBER 28, 2013

| 19:00 – 21:00 | Welcome Reception |

## SUNDAY, SEPTEMBER 29, 2013

| 08:00 – 09:15 | Interest Group Session I |
| 09:15 — 09:45 | Coffee Break |
| 09:45 — 11:00 | Interest Group Session II |
| 11:15 – 12:30 | Interest Group Session III |
| 12:30 – 13:30 | Luncheon |
| 13:45 – 14:45 | Plenary Panel I: The Future of Strategy in a Transient Advantage World |
| 14:45 – 15:15 | Coffee Break |
| 15:15 – 16:30 | Parallel Paper/ Common Ground/ Panel Sessions |
| 16:45 – 18:00 | Interest Group Business Meetings |
| 18:15 – 19:00 | SMS Business Meeting |

## MONDAY, SEPTEMBER 30, 2013

| 08:00 – 09:15 | Parallel Paper/ Common Ground/ Panel Sessions |
| 09:15 — 09:45 | Coffee Break |
| 09:45 — 11:00 | Parallel Paper/ Common Ground/ Panel Sessions |
| 11:15 – 12:00 | SMS Lifetime Achievement Award |
| 12:00 – 12:45 | CK Prahalad Award |
| 12:45 – 13:45 | Luncheon |
| 14:00 – 15:15 | Parallel Paper/ Common Ground/ Panel Sessions |
| 15:30 – 16:30 | Showcase Panels |
| 16:30 – 17:00 | Coffee Break |
| 17:00 – 18:15 | Parallel Paper/ Common Ground/ Panel Sessions |
| 19:00 – 22:00 | Monday Night Event |
## MY SCHEDULE OVERVIEW

**TUESDAY, OCTOBER 1, 2013**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Room</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>08:00 – 09:15</td>
<td>Parallel Paper/ Common Ground/ Panel Sessions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>09:15 — 09:45</td>
<td>Coffee Break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>09:45 — 10:45</td>
<td>Plenary Panel II: Is Green Green? Insights from Industry and Academia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11:00 – 12:15</td>
<td>Parallel Paper/ Common Ground/ Panel Sessions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12:15 – 14:00</td>
<td>Awards Luncheon</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14:15 — 15:15</td>
<td>Showcase Panels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15:15 — 15:45</td>
<td>Coffee Break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15:45 – 17:00</td>
<td>Parallel Paper/ Common Ground/ Panel Sessions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17:15 — 18:30</td>
<td>Parallel Paper/ Common Ground/ Panel Sessions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19:00 – 20:00</td>
<td>Closing Cocktail Reception</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The individuals listed below worked with this year’s Program Chairs, Pam Barr and Frank Rothaermel to select the proposals and compose the sessions for the different conference tracks, pre-conference sessions, and awards. We appreciate and gratefully recognize the tremendous amount of time and effort spent making this a successful event.

- Juan Alcacer
- Elena Antonacopoulou
- Stefano Brusoni
- Garry Bruton
- Xavier Castaner
- Clinton Chadwick
- Margaret Cording
- Giovanni Battista
- Dagnino
- Naga Lakshmi
- Damaraaju
- Timothy Devinney
- Rodolphe Durand
- Gary Dushnitsky
- Kimberly Ellis
- Sendil Ethiraj
- Kira Fabrizio
- Christina Fang
- Shanye Gayre
- Sanjay Goel
- Robert Hoskisson
- Ioannis Ioannou
- Prashant Kale
- Sarah Kaplan
- Rahul Kapoor
- Susanna Khaval
- Tatiana Kostova
- Mitchell Koza
- Tomi Laamanen
- Nandini Lahir
- Guoli Chen
- Stephen Chen
- Pao-Lien Chen
- Tailan Chi
- Asda Chintakananda
- Raveendra Chittoor
- Shih-Chi Chiu
- Rashdhar Chowdhury
- Biagio Gao
- Maria Cristina Cicini
- Michael Ciuchta
- Brent Clark
- Joseph Clougherty
- Russell Coff
- Susan Cohen
- Aharun Cohen
- Mohliver
- Christopher Collins
- David Collis
- Massimo Colombino
- Brian Connolly
- Raffaele Conti
- Leonardo Corbo
- Margaret Cording
- Rafael Corredore
- Antonio Corvino
- Sergio Costa
- Thomas Craig
- Donal Crilly
- Craig Crossland
- Alvaro Cuervo-Cazurra
- Ilya Cupers
- Youtha Cuppers
- Giovanni Battista
- Dagnino
- Li Dai
- Naga Lakshmi
- Damaraaju
- Brice Datte
- Parthiban David
- Annemarie Davis
- Jose de la Torre
- Bob de Wit
- Daniel Degravel
- Juan Delgado Garcia
- Sixto De Vivar
- Celine De Vos
- Ian Deane
- Paul De Miranda
- Rob De Wit
- Paul De BEER
- John DeKoven
- Paul Debevec
- John Deere
- John DeSante
- John De Palma
- John DeSouza
- John Dewey
- John Dreyfus
- John Draper
- John Donald Smith
- John Donaldson
- John Doniger
- John Dougherty
- John Doiron
- John Doctor
- John Donahue
- John Donohue
- John Donnell
- John Doherty
- John Dodds
- John Dobson
- John Dobson
- John Dougherty
- John Donohue
- John Donnell
- John Don
- John Dryer
- John Draper
- John Donigan
- John Don
- John Dryer
- John Donigan
- John Don
- John Dryer
- John Donigan
- John Don
- John Dryer
- John Donigan
- John Don
- John Dryer
- John Donigan
- John Don
- John Dryer
- John Donigan
- John Don
- John Dryer
- John Donigan
- John Don
- John Dryer
- John Donigan
- John Don
Reviewers continued

Heechun Kim
Eonsoo Kim
June-Young Kim
Hicheon Kim
Jongwook Kim
Eun-Hee Kim
Ji-hyun Kim
Minyoung Kim
Sunmin Kim
David King
Adelaide King
Patricia Klarner
Peter Klein
Thomas Klueter
Thorbjarn Knudsen
Kalin Kolev
Yasemin Kor
Mitchell Koza
Tim Kraft
Markus Kreutzer
Aldas Kriauciu纳斯
Vikas Kumar
Rajesh Kumar
Martin Kunc
Sven Kunisch
Nandini Lahiri
Anna Lamin
Bruce Lamont
Curba M Lampert
Matteo Landoni
Daniella Laureiro-Martinez
Keld Laursen
Dove lavie
Thomas Lawton
Sergio Lazzarini
Peggy Lee
JeongSik Lee
Derek Lehmburg
Michael Leiblein
David Lepak
Sheen S Levine
Edward Levitas
Ben Lewis
Sali Li
Yong Li
Dan Li
Mingxiang Li
Mengge Li
Kathy Li
Marvin Lieberman
Elizabeth Lim
Dominic S. K. Lim
Raymond Lim
Stefan Linder
Chengwei Liu
Annika Lorenz
Bente R. Lowendahl
Fabrice Lumineau
Jiao Luo
Patrice Luoma
Thomas Lyon
Jeffrey Macher
Alison Mackey
Ravi Madhavan
Anoop Madhok
Tammy Madsen
Joseph Mahoney
Elizabeth Maitland
Satyajit Majumdar
Richard Makadok
Mani Mamik
Lalit Manral
Marta Maras
Alfred Marcus
Luigi Marengo
Alessandro Marinoni
Catherine Maritan
Gideon Markman
Livia Markozy
Janet Marler
Dirk Martignoni
Jeffrey Martin
Xavier Martin
Rodrigo Martin-Rojas
Silvia Massini
Monica Masucci
Brett Matherne
David Matishov
Sharon Matusik
Markku Maula
Kyle J. Mayer
Brian McCann
Marleen McCormick
Mary-Hunter
McDonnell
Anita McGahan
Abagail McWilliams
Maureen Meadows
Thomas Mellewigt
Markus Menz
Luiz Mesquita
Douglas Miller
Chet Miller
Won Kyung Min
Denisa Constanta
Mindruta
Dylan Minor
Nicola Misani
Yuri Mishina
Michael Mol
José F. Molina-Azorin
Thomas P. Molterno
Felipe Monteiro
Don Moore
Robert Morgan
Shad Morris
Louis Mulotte
Lilach Nachum
Rajiv Nag
Amit Nandkeolyar
VK Narayanan
Lete Naray
Ivana Naumovska
Hermann Ndofor
Atul Nerkar
Donald Neubaum
William Newburry
Michael Nippa
Tomi Nokelainen
Markus Nordberg
Patricia Norman
Elena Novelli
Anthony Nyberg
Krysztof Obloj
Tomasz Obloj
Jonathan O'Brien
Felix Obschonka
Amandine Ody-Brasier
Jennifer Oetzel
dt ogilvie
Ilya Okhotmokskiy
Paul Olk
Elisa Operti
Nicholas O'Regan
Timothy O'Shanassy
Oleskii Osiyevskiy
Pinar Ozcan
Umit Ozmel
Gonçalo Pacheco de Almeida
Andrei Paninbratov
Ronaldo Parente
H. Dennis Park
Sarah Park
Anne Parmigiani
Heather Parola
Sotirios Paroutis
Srikanth Paruchuri
Seemantini Pathak
Sanjay Patnaik
Markus Paukku
John Pearce
Torben Pedersen
Anders Pershson
Renato Pereira
Susan Perkins
Jeffrey Petty
Michael Pfarrer
Corey Phelp
Anupama Phene
Deborah Philippe
Serge Pires da Matta Veiga
Lucia Piscitello
Erin Pleggenkuhle-Miles
Robert Ployhart
Lawrence Plummer
Anne Plunkett
Francisco Polidoro
Lauru Poppo
Joseph Porac
Hart Posen
Andrea Prado
Shameen Prashantham
John Prescott
Richard Priem
Devashish Pujari
Phanish Puranam
Lihong Qian
Bertrand Quelin
Larissa Rabbiioso
R. Ryan Raffety
Srinivasan Raghavan
Andreas Raharso
Hazhir Rahmandad
Hussain Rammal
Miguel Ramos
Annette Ranft
Ram Ranganathan
Abdul Rasheed
Sahana Rau
Marlo Raveendran
Evan Rawley
Aleksandra Rebeka
Richard Reed
Martin Reeves
Rhonda Reger
Patrick Reinnmoeller
Taco Reus
Emmanuelle Reuter
Enice Rhee
Brian Richter
Louis Rinfret
Dimo Ringo
Singbum Ro
Alicia Robb
Gregory Robbins
Scott Rockart
Elizabeth Rose
Nicole Rosenkranz
Renee Rottner
Philip Roundy
Michael Ryall
Robert Salomon
Andre Sammartino
Gerry Sanders
Tim Santalainen
Daria Sarti
Henry Sauermann
Christine Scheff
Mario Schijven
Melissa Schilling
Thomas Schlenzig
Rene Schmidpeter
Jens Schmidt
Karen Schnatterly
Anna-Maria Schneider
James Schragar
Thomas Schrettle
Salvatore Sciascia
Robert Seams
Joshua Sears
Matthew Semadeni
Sonali Shah
Jamal Shamsie
Janet Shauer
Raj Shankar
Dimitry Sharapov
Mark Sharman
George Shinkle
Andrew Shiplow
GaSin Shirokova
Thomas Shou
Christine Shrophire
Anisa Shyt
Brian Silverman
Timothy Simcoe
Christopher Simmons
David Simons
Bruce Skaggs
Rebekka Skubinn
Alexander Sleptsov
Scott Snell
Yuliya Snihur
Jason Snyder
Kristian Edh Norgroho
Soebandrijna
Pek-Hoi Soh
Deepak Somaya
David Souder
Patrick Spieh
Vasanthi Srinivasan
Christian Stadler
Charles Stevens
William Stromeyer
Harborne Stuart
Fernando Suarez
Jung-Hyun Suh
Sujit Sur
Chris Sutter
Tim Swift
Pavlos Symeou
Maxim Sytch
Florian A. Tauebe
Stephen B Tallman
Yinuo Tang
Kanji Tanimoto
Markus Tausig
Linda Tegarden
Candace TenBrink
Pooja Thakur
Anoissh Thanas
Jana Thiel
Chatthai Thnarudee
Liewellyn Thomas
Laszlo Tihanyi
Esther Tippmann
Michael Toeff
PuayKhoon Toh
Beril Toktay
George Tofostra
Arun Tripathy
Karynne Turner
Yu Zhang
Zheng Zhao
Yue Maggie Zhou
Hongyan Yang
Shu-Jung Sunny Yang
Dennis Yao
Sangyoon Yi
Daphne Yiu
Michele E. Yoher
Jeffrey York
Yoona Youm
Tieying Yu
Ivo Zander
Alessandro Zattoni
Todd Zenger
Yu Zhang
Zheng Zhao
Yue Maggie Zhou
Hong Zhu
Feng Zhu
Alexander Zimmermann
Maurizio Zollo
Pavel Zufan
Theresa Veer
Krishna Venkitchalam
Gianmarco Verona
Elena Vital
Carl Vieregger
Natanya Vinokurova
Luis Vives
Govert Vroom
Natalia Vuori
Anu Wadhwa
Theodore Waldron
Jorge Walter
Heli Wang
I-Chen Wang
Ulrich Wassmer
Sean Way
Libby Weber
Carmen Weigelt
Xena Welch Guerra
Curtis Wesley
Page West
Margaret White
Richard Whittington
Charles Williams
Mary-Anne Williams
David Williams
Kristin Wilson
Sheryl Winston Smith
Robert Wiseman
Michael Withers
Craig Wood
Bill Wooldridge
Jennifer Woolley
Robert Wright
Nai-Hua Wu
Kehan Xu
Basak Yakis-Douglas
Said Yami
Haibin Yang
Hongyuan Yang
Shu-Jung Sunny Yang
Dennis Yao
Sangyoon Yi
Daphne Yiu
Michele E. Youer
Jeffrey York
Yoona Youm
Tieying Yu
Ivo Zander
Alessandro Zattoni
Todd Zenger
Yu Zhang
Zheng Zhao
Yue Maggie Zhou
Hong Zhu
Feng Zhu
Alexander Zimmermann
Mauritzo Zollo
Pavel Zufan
It is the primary objective of the SMS to provide opportunities for discussion and development of the latest research ideas in strategy. This is consistent with the practice of evaluating proposals rather than finished papers. In this spirit of discussion and development, we work with two session formats for proposal presentations:

### Conference Theme Tracks

- **A** – Sustaining Advantage
- **B** – Stewardship and Sustainable Development
- **C** – Social Dimension
- **D** – General Track

### Interest Group Tracks

- **E** – Competitive Strategy
- **F** – Corporate Strategy
- **G** – Global Strategy
- **H** – Strategy Process
- **I** – Knowledge and Innovation
- **J** – Strategy Practice
- **K** – Entrepreneurship & Strategy
- **L** – Strategic Human Capital
- **M** – Stakeholder Strategy
- **N** – Cooperative Strategies
- **O** – Strategic Leadership and Governance
- **P** – Behavioral Strategy
- **T** – Excellence in Teaching

### Common Ground Sessions

The “Common Ground” sessions provide an improved opportunity for authors and audience members to interact more directly around a number of papers in a related theme.

- For the Atlanta Conference we are planning a total of 23 common ground sessions, each will be 1 hour 15 minutes.
- A common ground session is constituted of at least one author of the 5-6 proposals, a facilitator, and audience members. The facilitator is not an author on one of the proposals.
- The Common Ground sessions will be chaired and facilitated by known scholars in the session’s topic. It is the responsibility of these facilitators to allocate time among participants and lead a productive discussion.
- To ensure sufficient time for interaction, the facilitator will ask for an initial 3-4 minutes summary presentation of a presenter’s study focusing only on the main motivations and findings of each paper. We want the time to be structured as a conversation (i.e., short interventions, highly interactive), not as a sequence of monologues.
- Projectors or PowerPoint presentations will not be used. Flipcharts will be available in each room to facilitate visual discussion. Authors, however, were encouraged to make available for download or bring to the session a one-page summary.

### Paper Sessions

The traditional Paper Sessions provide an opportunity for authors to present their research in a comprehensive fashion and aided by multimedia equipment, followed by interaction between authors and audience on a number of papers in a related theme.

- For the Atlanta Conference we are planning a total of 117 paper sessions, each will be 1 hour 15 minutes.
- A paper session is constituted of at least one author of 3-4 proposals, a session chair, and audience members. Often times, the session chair will be one of the presenting authors.
- Each presenting author will have 12-15 minutes for their presentation, depending on the number of presentations within the session. The remaining time will be used for discussion.
- Each session room will have a LCD projector available.
- Presenters were invited to upload their presentation handout and make it available for download to other conference attendees.
Pre-application was required to participate in these workshops.

**SESSION 290**

**COMPETITIVE STRATEGY JUNIOR FACULTY AND PAPER DEVELOPMENT WORKSHOP**

<table>
<thead>
<tr>
<th>CJFPD WORKSHOP</th>
<th>Date</th>
<th>Saturday, Sep 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshop</td>
<td>Time</td>
<td>09:15 – 15:45 h</td>
</tr>
<tr>
<td></td>
<td>Room</td>
<td>Walnut</td>
</tr>
</tbody>
</table>

**Competitive Strategy Junior Faculty and Paper Development Workshop**

**Workshop Organizers**
- Giovanni Battista Dagnino, University of Catania
- Rahul Kapoor, University of Pennsylvania

This workshop will include panel discussions and breakout sessions. Senior faculty panels will discuss critical aspects of the research and publication process, ways to craft a successful research program, future directions in competitive strategy research, and other questions of concern for junior faculty. A breakout session will provide opportunities for participants to discuss and receive feedback on their work in an informal setting.

**SESSION 295**

**COOPERATIVE STRATEGIES AND KNOWLEDGE & INNOVATION PAPER DEVELOPMENT WORKSHOP**

<table>
<thead>
<tr>
<th>CSKIPD WORKSHOP</th>
<th>Date</th>
<th>Saturday, Sep 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshop</td>
<td>Time</td>
<td>13:00 – 16:00 h</td>
</tr>
<tr>
<td></td>
<td>Room</td>
<td>Hazelnut</td>
</tr>
</tbody>
</table>

**Cooperative Strategies and Knowledge & Innovation Paper Development Workshop**

**Workshop Organizers**
- Stefano Brusoni, Swiss Federal Institute of Technology Zurich
- Ha Hoang, ESSEC Business School
- Laura Poppo, University of Kansas

The objective of this PDW is to offer insights to junior scholars on future research opportunities and to provide personal feedback to those actively researching topics in cooperative strategies, knowledge and innovation, and their intersection. Scholars within both interest groups examine core processes such as exploration, boundary-spanning, learning, and adaptation at the interpersonal, intraorganizational and interorganizational levels of analysis. This suggests that a joint workshop will be coherent to the participants while affording opportunities for cross-fertilization.

**SESSION 294**

**GLOBAL STRATEGY PAPER DEVELOPMENT WORKSHOP**

<table>
<thead>
<tr>
<th>GSPD WORKSHOP</th>
<th>Date</th>
<th>Saturday, Sep 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshop</td>
<td>Time</td>
<td>09:00 – 15:00 h</td>
</tr>
<tr>
<td></td>
<td>Room</td>
<td>Hickory</td>
</tr>
</tbody>
</table>

**Global Strategy Paper Development Workshop**

**Workshop Organizers**
- Timothy Devinney, University of Leeds
- Mitchell Koza, Rutgers University
- Luis Vives Ramon, LIU University

The purpose of this PDW is to provide Global Strategy scholars with developmental feedback on their current research projects in global strategy studies. The PDW is open to all scholars but preference will be given to PhD students and early career academics. While we hope that many of these papers will be eventually submitted to the Global Strategy Journal, Strategic Management Journal, Strategic Entrepreneurship Journal, and other International Business Journals, the purpose of the PDW is broader: to improve the quality of global strategy research and bring new scholars into the field.

**SESSION 309**

**STRATEGIC LEADERSHIP AND CORPORATE GOVERNANCE WORKSHOP**

<table>
<thead>
<tr>
<th>PCJFD WORKSHOP</th>
<th>Date</th>
<th>Saturday, Sep 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshop</td>
<td>Time</td>
<td>09:15 – 15:45 h</td>
</tr>
<tr>
<td></td>
<td>Room</td>
<td>Pecan</td>
</tr>
</tbody>
</table>

**PhD Candidate & Junior Faculty Development Workshop**

**Workshop Organizer**
- Anja Tuschke, University of Munich

The workshop will start with a paper development session that offers participants the opportunity to discuss their work in small groups. Participants will exchange feedback during the paper development portion, with each group’s discussion being facilitated by one or more experienced scholar(s) familiar with the topic or method in question. Discussants include Brian Connelly, Parthiban David, Karen Schnatterly, Anja Tuschke, and Bob Wiseman. In addition, there will be a theory development session. Paul Godfrey will provide insights into how to structure ideas and topics, build a model, and develop theory. Participants will work on these questions based on one of their (empirical or theoretical) papers.

**SESSION 313**

**PHD WORKSHOP**

<table>
<thead>
<tr>
<th>PhD WORKSHOP</th>
<th>Date</th>
<th>Saturday, Sep 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshop</td>
<td>Time</td>
<td>08:30 – 19:00 h</td>
</tr>
<tr>
<td></td>
<td>Room</td>
<td>International B</td>
</tr>
</tbody>
</table>

**PhD Workshop**

**Workshop Organizers**
- Atul Nerkar, University of North Carolina
- Sendil Ethiraj, London Business School

The Doctoral Workshop is intended for doctoral students at the early stage of their dissertation research. The Workshop will be highly interactive and will include a variety of panels as well as practical sessions on developing dissertation proposals and launching academic careers, and a meet-the-editors session. The 25 individuals attending this workshop were selected through a competitive entry and review process. They will each receive scholarships that are funded partially through the generous support of the Society for the Advancement of Management Studies (suppliers of the Journal of Management Studies).
SESSION 310
STRATEGY PROCESS AND CORPORATE STRATEGY COLLOQUIUM ON MERGER AND ACQUISITION PROCESSES

WORKSHOP
Date: Saturday, Sep 28
Time: 09:00 – 18:00 h
Workshop
Room: Chestnut

Strategy Process and Corporate Strategy Colloquium on Merger and Acquisition Processes
Workshop Organizers
Bruce Lamont, Florida State University
Gwendolyn Lee, University of Florida

This colloquium on M&A Process is a full-day conversation that kicks off with a retrospective glance on the future of M&A process research. Then three sessions will cover cutting-edge research on Pre-deal Processes, Post-deal Processes, and Learning and Capability Evolution. Each presentation will share with the participants the latest research ideas on M&A Process. The colloquium features a “theme lunch” where participants are invited to discuss their research ideas over lunch with the keynote speaker, panelists and session chairs about Pre-deal Processes, Post-deal Processes, and Learning and Capability Evolution. This unique format of interaction provides an opportunity for participants to exchange ideas with other researchers of similar interests.

SESSION 311
TEACHING EXECUTIVES WORKSHOP

WORKSHOP
Date: Saturday, Sep 28
Time: 13:00 – 16:00 h
Workshop
Room: Cypress

Teaching Executives Workshop
Workshop Organizers
Margaret Cording, IMD
Silke Mischke, IMD

The Excellence in Teaching Community is offering an interactive three-hour workshop focused on the processes that lead to significant and long-lasting learning by executives. How executives learn – and therefore how we teach them – is fundamentally different from less experienced learners. At the end of this workshop, participants will have a framework that enables them to place their content in a highly relevant context while actively accommodating the underlying learning processes. This framework will help us to be more mindful of the numerous (and often nuanced) differences in teaching to executives versus more degree-oriented students.

SESSION 312:
THE IMPACT OF TECHNOLOGY ON TEACHING STRATEGY

WORKSHOP
Date: Saturday, Sep 28
Time: 14:00 – 17:00 h
Workshop
Room: Sycamore

The Impact of Technology on Teaching Strategy
Workshop Organizers
Tunji Adebesan, Lagos Business School
Peter Klein, University of Missouri

CSIG will be offering its second annual teaching workshop. This three-hour workshop will address both competitive strategy content and pedagogical methods. This year’s workshop focuses on technological innovation and its impact on teaching strategy. The higher-education industry is abuzz with talk about MOOCs, distance learning, computer-based learning, and other pedagogical innovations. Participants will break into small groups for in-depth discussion and practice using new tools. After regrouping, participants will discuss about what these innovations mean for the higher-education industry, and business schools in particular.
Reproducibility of results lies at the core of modern empirical research, yet management journals publish few replication studies. This has been combined with professional norms that largely ignore replication and, consequently, make it difficult to ascertain empirical regularities. Moreover, lack of replication permits data snooping and exaggerated significance levels to go unchallenged. The need for replication studies is particularly acute in global strategy, due to the emphasis on cross-border research. Without replication, it is difficult to know whether research findings are robust to differences in geographic settings. In this session, the panelists will discuss the rationale for replication studies and their benefits. The panel will then engage the audience in a discussion of replication in global strategy and strategic management research.
SESSION 250

**STRATEGIC HUMAN CAPITAL**

**TRACK L**

**Date**  Sunday, Sep 29  
**Time**  08:00 – 09:15 h

**Interest Group Panel**  Room  Juniper Room

**What Is Human Capital, Really? Economic and Psychological Views of Our Key Construct**

**Session Chair**  Clinton Chadwick, University of Kansas

**Panelists**  
- Benjamin Campbell, Ohio State University  
- Janice Molloy, Michigan State University

This session will begin with two consecutive 15-minute presentations by leading scholars from the Strategic Human Capital interest group on what constitutes strategic human capital and why it “matters”. These presentations will encompass the economically-oriented and psychologically-oriented forms of strategy, respectively. Following these presentations, we will break the attendees into roundtable discussions. Each roundtable will discuss the topic and generate a set of comment/ propositions about the research implications of these two different views of human capital to share with the group.

SESSION 172

**STAKEHOLDER STRATEGY, EXCELLENCE IN TEACHING**

**SESSION 237**

**BEHAVIORAL STRATEGY**

**TRACK M, TRACK T**

**Date**  Sunday, Sep 29  
**Time**  08:00 – 09:15 h

**Interest Group Panel**  Room  Cypress Room

**Bringing Sustainability to Life in the Classroom**

**Session Chair**  Jeffrey Harrison, University of Richmond

**Panelists**  
- Tima Bansal, University of Western Ontario  
- Doug Bosse, University of Richmond  
- Irene Henriques, York University  
- Robert Wright, Hong Kong Polytechnic University

There is a need for an approach to bring sustainability issues to life in the classroom. Students being actual or future leaders should be motivated and challenged to explore how business can create sustainable value for their key stakeholders and, thus, securing a sustainable advantage relative to other businesses. In this session, we explore existing frameworks, tools and good practices that provide students a possibility to approach issues of sustainability in the classroom. This interdisciplinary session draws on the knowledge of scholars from the fields of stakeholder strategy and from the teaching community. The panelists from the SSIG and the TC provide their insights regarding the relationships between stakeholder management and sustainability and, respectively, the didactical frameworks, tools and good practices to establish awareness and involvement among students taking classes related to issues of sustainability. In a non-traditional setting, the panelists interact with the participants organized in four different groups. Participants in each of these groups elaborate on how issues of sustainability could be brought to life in classrooms. Many academics polarize the important practice of teaching and research into separate and distinct worlds—rarely integrating them as complementarities in our pursuit toward better scholarship. This sharing session will also showcase a game that brings these two worlds together to help take our scholarship of teaching, learning, and research to the next level; and in the process stimulate higher level thinking from our students and real managers when dealing with complicated, unsolved issues, challenges and problems. The idea of “staying F.O.C.U.S.E.D.” (game at http://myweb.polyu.edu.hk/~msleung/focused_dice.html) in a complicated world was developed based on an extensive survey of 400+ business students and discussions with practitioners about what it would take to help students get better in their thinking and action.

**SESSION 191**

**STRATEGIC LEADERSHIP AND GOVERNANCE**

**TRACK O**

**Date**  Sunday, Sep 29  
**Time**  08:00 – 09:15 h

**Interest Group Panel**  Room  Magnolia Room

**How Governance Mechanisms Influence Strategic Leadership and Decision-Making**

**Session Co-Chairs**  Patricia Klarner, University of Munich  
- Anja Tuschke, University of Munich

**Panelists**  
- Marta Geletkanycz, Boston College  
- Scott Graffin, University of Georgia  
- James Wade, Emory University  
- James Westphal, University of Michigan

Research has long examined the influence of governance mechanisms and strategic leadership (including incentives, power distribution, upper echelons, team dynamics etc.) on strategic choice, behavior, and performance outcomes. This panel aims at bridging governance and leadership perspectives on these topics and discusses current themes as well as pressing questions for future research.

**SESSION 237**

**BEHAVIORAL STRATEGY**

**TRACK P**

**Date**  Sunday, Sep 29  
**Time**  08:00 – 09:15 h

**Interest Group Panel**  Room  Dogwood Room B

**Forging a Behavioral Strategy Interest Group Identity: Multiple Views on a Shared Research Agenda**

**Session Chair**  Rhonda Reger, University of Tennessee

**Panelists**  
- Christina Fang, New York University  
- Shayne Gary, University of New South Wales  
- Thomas Powell, Oxford University

The leadership of the newly formed Behavioral Strategy Interest Group will discuss the rationale and aims for the community of scholars to be served by the interest group.
Mini-Workshop: On Teaching Implications: Reflections from Leading Editorial Boards

Session Co-Chairs
Margaret Cording, IMD
Jay Dial, Ohio State University
Robert Wright, Hong Kong Polytechnic University

Round Table Discussants
Africa Ariño, IESE Business School
Kenneth Brown, University of Iowa
Timothy Devinney, University of Leeds
Scott Graffin, University of Georgia
Sarah Kaplan, University of Toronto
Arie Lewin, Duke University
Will Mitchell, Duke University
Torben Pedersen, Copenhagen Business School
James Robins, WU-Vienna
Mike Wright, Imperial College London

How might our teaching be improved if researchers included a section on “Implications for management education” in addition to the usual “implications for research” and “management implications” in their published works? This highly interactive session brings together editors from our leading journals to debate and discuss the pedagogical implications of our scholarship for the classroom, and in the process, better equip the next generation of thought-leaders for a complicated world. We feel that such a game-changing idea would also be aligned with the direction of business school scholarship and impact in making us matter more. Journal Editors taking part through round-table discussions are: Africa Ariño (Academy of Management Discoveries); Kenneth G. Brown (Academy of Management Learning & Education); Timothy Devinney (Academy of Management Perspectives); Scott D Graffin (Academy of Management Journal); Sarah Kaplan (Organization Science); Arie Lewin (Management and Organization Review); Will Mitchell (Strategic Management Journal) and Mike Wright (Strategic Entrepreneurship Journal).

SESSION 157
COMPETITIVE STRATEGY

Strategies in the Digital Area: Competing through Platforms, Ecosystems, and Open Innovation

Session Chair
Juan Alcacer, Harvard University

Panelists
Ron Adner, Dartmouth College
Bruno Cassiman, IESE Business School
Andrei Hagiu, Harvard Business School
Karim Lakhani, Harvard University

Platforms, ecosystems and social networks are emerging as emerging as competitive tools in multiple industries. This new competitive landscape brings challenges and opportunities to strategy scholars to develop new conceptual frameworks, test previous theories and push our understanding of industry dynamics and competitive strategy. A group of pioneers in the field will describe the phenomenon, offer an overview of the most recent research in the area, provide their conceptual approach to platforms, ecosystems and open innovation, and clarify basic concepts and misconceptions.
This theme of strategic dynamics needs to be addressed from a number of competing priorities all central to the character of strategic action. As they negotiate ongoing tensions, paradoxes in fostering impactful learning and teaching in public organizations better prepared for the ethical implications of the world a more connected place, they have also led to the creation of digital sweatshops, i.e. overcrowded rooms where workers play online games, up to twelve hours a day in order to create virtual goods, which can then be sold to other, obviously richer, players. The aim of this panel is fostering the discourse about ethics and innovation over and above the ongoing discussion about corporate social responsibility by comparing insights from different fields of research and business practices. The panel includes leading scholars in the field of techno-ethics and CSR as well as practitioners, both engaged in the effort of making business and public organizations better prepared for the ethical implications of the innovation decisions they take.

**SESSION 235**  
**STRATEGY PRACTICE**

**Track J**  
**Date**: Sunday, Sep 29  
**Time**: 09:45 – 11:00 h  
**Room**: Chestnut Room

Strategic Dynamics: Beyond Practice, Process, People in Fostering Impactful Learning and Teaching in Strategic Action  
**Session Co-Chairs**: Stephen Cummings, Victoria University of Wellington; Lisa Gaeber, Copenhagen Business School; Hanna Lehtimaki, University of Eastern Finland; Elizabeth Rose, University of Otago; Timo Santalainen, Aalto University

**Panelists**:  
Julia Balogun, Bath University  
Steven Floyd, University of Massachusetts-Amherst  
Paul Friga, University of North Carolina-Chapel Hill  
Marjorie Lyles, Indiana University  
Richard Whittington, University of Oxford

This session aims to foster debate about the ways in which the emergence and dynamics that underpins strategic action can be better attended to in future research, teaching and learning initiatives collaboratively with executives and policy makers. This event seeks to bring the themes of strategic learning, change, emergence and dynamism back into our ongoing efforts to understand phenomena in the ways social actors act, interact and transact as they negotiate ongoing tensions, paradoxes and competing priorities all central to the character of strategic action. This theme of strategic dynamics needs to be addressed from a number of theoretical and methodological perspectives and your contributions already in the field of strategic management and associated areas would be a great voice to bring to the table to enrich the discussion.

**SESSION 164**  
**ENTREPRENEURSHIP AND STRATEGY**

**Track K**  
**Date**: Sunday, Sep 29  
**Time**: 09:45 – 11:00 h  
**Room**: Hickory Room

Real Options and Entrepreneurship: What Questions Can We Ask?  
**Session Chair**: Naga Lakshmi Damaraju, Indian School of Business  
**Panelists**:  
Jay Anand, Ohio State University  
Michael Leiblein, Ohio State University  
Yong Li, State University of New York-Buffalo  
Joseph Mahoney, University of Illinois-Urbana Champaign  
Rita Gunther McGrath, Columbia University  
Tony Tong, University of Colorado-Boulder

Joseph Mahoney and Yong-Li will discuss their ideas under the following title: What unique insights does real options theory offer concerning financing entrepreneurship? This would include a) Rationale for financing entrepreneurship (startups) b) Timing c) Contingent financing (staging; sequential investment) d) Portfolio investment and e) Contracting Jay Anand will focus on entrepreneurship in established firms using a portfolio approach as per my research papers in this area. Michael Leiblein will discuss real options and innovation activity. The focus will be on the use of option logic to complement theories of advantage with particular attention to the use of option logic to consider timing advantages. Tony Tong will focus on making R&D and capital investment decisions, how sensitive are entrepreneurial firms to market uncertainty? Do entrepreneurial firms respond to uncertainty differently than large and established firms? He will present some findings from a recent project. Rita McGrath will focus on “what habitual entrepreneurs understand about options reasoning that most of us don’t”.

**SESSION 251**  
**STRATEGIC HUMAN CAPITAL**

**Track L**  
**Date**: Sunday, Sep 29  
**Time**: 09:45 – 11:00 h  
**Room**: Juniper Room

Where Are We Going Next in Strategic Human Capital Research?  
**Session Chair**: Clinton Chadwick, University of Kansas  
**Panelists**:  
Matthew Bidwell, University of Pennsylvania  
Benjamin Campbell, Ohio State University  
Alison Mackey, California Polytechnic State University  
Janice Molloy, Michigan State University  
Anthony Nyberg, University of South Carolina  
Scott Snell, University of Virginia

This session will feature a panel of the Strategic Human Capital interest group’s Representatives at Large, who will each briefly describe their views on the following questions: What do we know about strategic human capital? What are the most compelling under-researched questions? How can we as a community encourage more good research on these questions? The session will include opportunities for panelists and attendees to discuss these questions.
### SESSION 234
**COOPERATIVE STRATEGIES**

<table>
<thead>
<tr>
<th>TRACK N</th>
<th>Date</th>
<th>Sunday, Sep 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>09:45 – 11:00 h</td>
<td></td>
</tr>
<tr>
<td>Interest Group Panel</td>
<td>Room</td>
<td>Sycamore Room</td>
</tr>
</tbody>
</table>

**Learning to Manage Corporate Development Portfolios**

**Session Co-Chairs**  
Koen Heimeriks, Tilburg University  
Pinar Ozcan, Warwick Business School

**Panelists**  
Chris Bingham, University of North Carolina-Chapel Hill  
Melissa Graebner, University of Texas-Austin  
Werner Hoffmann, WU-Vienna  
Tomi Laamanen, University of St. Gallen  
Mario Schijven, Texas A&M University

In this workshop, we will explore the micro and meso-dynamics associated with firm growth through alliances, acquisitions, and divestitures. The workshop will begin with an overview and discussion of what we know about this topic by the organizers. In this section, our focus will be on prior work on alliances, acquisitions, and divestitures and how these activities enable firm growth. Recent work has started to compare different types of growth (internal, alliance- or acquisition-led) and what internal processes help firms develop an alliance or acquisition capability (Capron, 2010; Heimeriks et al., 2012; Zollo and Singh, 2004). Also, such activities have a direct influence on how market networks come about and how industries evolve (Gawer and Cusumano, 2002; Jacobides et al, 2006; Ozcan and Santos, 2012). Yet, so far only few of the contingencies and micro dynamics that enable individual firms to outperform their peers have been examined. The next section aims to share new insights into when what type of growth is favorable and how firms develop capabilities for different types of growth. Each panelist will present for 20 minutes followed by 10 minutes of discussion and Q&A. Finally, the last hour will be dedicated to a discussion of the existing gaps, bridges and other contingencies between the micro and meso-level underpinnings and firm growth. In a lively discussion between the panelists and participants, we hope to provide a more integrated view of these traditionally separate topics and find new paths for future research to bring them closer.

### SESSION 192
**STRATEGIC LEADERSHIP AND GOVERNANCE**

<table>
<thead>
<tr>
<th>TRACK O</th>
<th>Date</th>
<th>Sunday, Sep 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>09:45 – 11:00 h</td>
<td></td>
</tr>
<tr>
<td>Interest Group Panel</td>
<td>Room</td>
<td>Magnolia Room</td>
</tr>
</tbody>
</table>

**Individuals and Teams at the Top of the Firm – Current and Emerging Topics**

**Session Chair**  
Christine Shropshire, University of Georgia

**Panelists**  
Albert Cannella Jr, Arizona State University  
David Sirmon, University of Washington  
Anja Tuschke, University of Munich  
Yan Zhang, Rice University

This panel aims at discussing important topics and research avenues revolving around individual leaders and teams at the top of the firm. We are going to address governance choices like nomination and turnover decisions – including internal and external reasons for these decisions – which ultimately result in changes in board composition and inter-firm interlocks. Conceptual as well as empirical avenues of research will be highlighted.

### SESSION 238
**BEHAVIORAL STRATEGY**

<table>
<thead>
<tr>
<th>TRACK P</th>
<th>Date</th>
<th>Sunday, Sep 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>09:45 – 11:00 h</td>
<td></td>
</tr>
<tr>
<td>Interest Group Panel</td>
<td>Room</td>
<td>Dogwood Room B</td>
</tr>
</tbody>
</table>

**Strategy As Arbitrage: A Behavioral Strategy Approach**

**Session Chair**  
Christina Fang, New York University

**Panelists**  
Christina Fang, New York University  
Songcui Hu, University of Arizona  
Chengwei Liu, University of Warwick  
Lamar Pierce, Washington University-St. Louis

Strategy is concerned with finding profit opportunities. In teaching as well as practice, the implicit assumption is that not all opportunities have been exploited. Rather, there is money left on the table, the only problem is how to spot it. We argue that an appropriate theoretical foundation for strategy should start with the assumption that there are arbitrage opportunities. To examine this question, researchers in strategy need to combine evidence from behavioral sciences and organization theory on how firms evaluate input factors and implement new practices with models of how and why arbitrage opportunities can persist in factor and product markets.
Talking About a Revolution: Building a Community of Scholars to Revolutionize Our Teaching Experience

Session Co-Chairs
Margaret Cording, IMD
Jay Dial, Ohio State University
Robert Wright, Hong Kong Polytechnic University

Panelists
Josh Plaskoff, IUPUI

Interested in building a community of people curious about how to radically improve the effectiveness of teaching? A community of practice is a group of people, brought together by common belief, common behavior and a sense of belonging who strive to enhance their dominant work practice. This session will bring together SMS Members committed to innovating in the classroom, learning from each other, and sharing deep know-how and passion around helping our students learn in profound and long-lasting ways. Come join us as we build something new.

New Formats for Research in Strategy

Session Chair
Charles Williams, Bocconi University

Panelists
Nicholas Argyres, Washington University-St. Louis
Bruno Cassiman, IESE Business School
Andrew Van de Ven, University of Minnesota

Over the past decade, numerous leading scholars in strategy have called for the expansion of the nature of research in strategy from the traditional ‘hybrid’ papers that combine verbal theorizing with large-sample empirical analysis to new formats that preserve the diversity and vibrancy of the field. The panel will explore two specific formats being promoted: theory driven and stylized-fact driven research. One of the goals is to engage in a conversation that highlights the needs for new types of research. Second, and equally important, the session will help to discuss quality standards for these new formats as well as provide information on initiatives promoting them undertaken by the major journals in the field. 

Publishing Strategic Management Research

Session Chair
Caterina Moschieri, IE Business School

Panelists
Manuel Becerra, IE University
Melissa Graebner, University of Texas-Austin
Yan Zhang, Rice University
Maurizio Zollo, Bocconi University

This session focuses on the key steps of the publication process in leading journals of strategic management. It covers journal selection, editorial decisions, and revision strategies. It offers advice on how to deal with or respond to different editorial decisions, including reject, reject and resubmit, and revise and resubmit. The session reviews revision strategies involving strategic management theories and research. Panelists include successful authors and current and past editors of journals such as the Academy of Management Journal, Global Strategy Journal, and Strategic Management Journal.

International Alliance Management Processes

Session Chair
Xavier Castaner, University of Lausanne

Panelists
Africa Ariño, IESE Business School
Marjorie Lyles, Indiana University
J Myles Shaver, University of Minnesota
Harbir Singh, University of Pennsylvania

The management of international alliances – alliances between partners from different countries – pose specific challenges given the geographical and institutional distance among partners. Further, the purpose of international alliances often is entry in a new market for at least one of the partners. There has been substantial research on the contractual hazards companies face in this kind of ventures as well as on the learning processes. And several practice recommendations have been formulated, however, the failure rate is still too high (such as recent JVs between European and Indian firms for the Indian market show) and calls for more research. This panel will take stock of the current state of the art in international alliance management process research and formulate recommendations for future research.

What’s with the Board? Strategic Decision-Making Processes in the Boardroom

Session Co-Chairs
Tomi Laamanen, University of St. Gallen
Anja Tuschke, University of Munich

Panelists
Morten Huse, Universität Witten Herdecke
Jay Lorsch, Harvard University
Michael Useem, University of Pennsylvania

Most governance and strategy research on boards has focused on structural or demographic features – composition, remuneration, and ownership – as possible determinants of the quality of their decision-making. However, very little is known on boards’ decision-making processes, due in part to the difficulty of having access to them. Nevertheless, due to their importance, it seems urgent to think how to better bridge this gap. Researchers with a long-standing interest and access to boards, together with current board members, will discuss how to.
for promoting ABC collaborations that deliver strategic impact – for
interactive session addresses key challenges and seeks new solutions
ABC collaboration has great potential. Still reality is far from ideal. This
address relevant issues and develop solutions that have power impact.
conceptual frames with practical challenges. With practitioners they
impactful practice. Strategy consultants are – or should be - able to bridge
conceptual thinkers. They are able to convert strategic thinking into
practice are conceptionally sound. High-performing strategists are great
divide” seems to exist between research and practice. Best strategies in
research from the perspective of one its foundational contributors –
Professor Linda Argote. The session will be conducted as an interview
followed by a question and answer period. The questions are developed
in collaboration with the whole Knowledge and Innovation Community.

SESSION 169
KNOWLEDGE AND INNOVATION

Delivering Strategic Impact: The Power of ABC Collaborations
Session Chair
Timo Santalainen, Aalto University
Panelists
Elena Antonacopoulou, University of Liverpool
David Collis, Harvard University
Andreas Raharso, Hay Group
George Tovstiga, University of Reading
Discussion on relevance of strategy research has been on the rise for years.
One reason is that the logic of career advancement in academia is based
on papers published in A-class journals; reviewed by colleague academics.
Strategy practitioners almost never read A-class journals. A “great
divide” seems to exist between research and practice. Best strategies in
practice are conceptionally sound. High-performing strategists are great
conceptual thinkers. They are able to convert strategic thinking into
impactful practice. Strategy consultants are – or should be - able to bridge
conceptual frames with practical challenges. With practitioners they
address relevant issues and develop solutions that have power impact.
ABC collaboration has great potential. Still reality is far from ideal. This
interactive session addresses key challenges and seeks new solutions
for promoting ABC collaborations that deliver strategic impact – for
academics, practitioners and consultants.

SESSION 163
ENTREPRENEURSHIP AND STRATEGY, GLOBAL STRATEGY

Entrepreneurial Firms and MNCs: An Emerging Market Perspective
Session Co-Chairs
Naga Lakshmi Damara Raju, Indian School of Business
Nandini Lahiri, Temple University
Panelists
Sharon Alvarez, Ohio State University
Alfonso Gambardella, Bocconi University
Anil Gupta, University of Maryland
Subramanian Rangan, INSEAD
With increasing attention to emerging markets, both entrepreneurial and
multinational firms recognize the importance of non-traditional strategies.
For example, non-market strategies often play a critical role in emerging
economies. Yet, relatively little attention is paid to the antecedents and
performance consequences of such strategies. The institutional context
under which firms operate is also significantly different. This raises the
question of the influence that institutional context and strategy have on
each other. Do institutions matter differently under a set of conditions? The
purpose of this session is to discuss different perspectives within the domain.
Panelists will share recent research spanning a broad range of theories and
markets. The panel will then engage the audience in identifying questions
that have the potential to impact future research in this area.

SESSION 242
STRATEGY PRACTICE

SESSION 252
STRATEGIC HUMAN CAPITAL

Cutting Edge Insights from the Journal of Management Special Issue on Strategic Human Capital
Session Chair
Patrick Wright, Cornell University
Panelists
Russell Coff, University of Wisconsin-Madison
Thomas P. Moltterno, University of Massachusetts-Amherst
A forthcoming special issue of Journal of Management is devoted to
strategic human capital. The panelists for this session are the editors of
this special issue, who will share insights on where research on this topic is
going in the near future, based on their experience in putting this special
issue together. This session will also feature comments from some of the
authors whose work will be featured in the special issue. The session
will include a discussion of the opportunities and challenges inherent in
advancing the strategic human capital research stream.
SESSION 195

STAKEHOLDER STRATEGY

<table>
<thead>
<tr>
<th>TRACK M</th>
<th>Date</th>
<th>Sunday, Sep 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>11:15 – 12:30 h</td>
<td></td>
</tr>
<tr>
<td>Interest Group Panel</td>
<td>Room</td>
<td>Walnut Room</td>
</tr>
</tbody>
</table>

National Competitive Advantage: Stakeholders, Strategy, and Sustainability

Session Chair
Ryan Krause, Texas Christian University

Panelists
Suzanne Berger, MIT
Graham Kenny, Strategic Factors
Christian Ketels, Harvard University
Richard Vietor, Harvard University

The world has changed in significant and structural ways with China's national strategic plans having led to that country's great success. At the same time we've seen the increasing globalization of corporations which has led many companies to take residence in a nation while being able to outsource production and offshore profits. Unlike China, Western nations avoid developing overall national strategic plans preferring instead to design plans for singular functions such as health, social security and education. Is the practice wise and sustainable? Does the absence of strategic plans expose nations to the risk of long-term decline? Developing an overall national strategic plan remains off the agendas of Western nations as this is seen as synonymous to becoming a command or centrally planned economy. Is this mindset due for change? Would a stakeholder framework provide the path to a truly national strategic plan? Are current economic indicators sufficient to track real national performance? These questions are at the centre of the panel's deliberations. This session is designed for debate and discussion.

SESSION 239

BEHAVIORAL STRATEGY

<table>
<thead>
<tr>
<th>TRACK P</th>
<th>Date</th>
<th>Sunday, Sep 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>11:15 – 12:30 h</td>
<td></td>
</tr>
<tr>
<td>Interest Group Panel</td>
<td>Room</td>
<td>Dogwood Room B</td>
</tr>
</tbody>
</table>

Theoretical Perspectives in Behavioral Strategy

Session Chair
Rhonda Reger, University of Tennessee

Panelists
Irene Duhaime, Georgia State University
Sarah Kaplan, University of Toronto
Timothy Pollock, Penn State University
Robert Wiseman, Michigan State University

Leading researchers working within the domain of behavioral and cognitive approaches to strategic management research will share their views on the diversity of theoretical perspectives the Behavioral Strategy Interest Group draws upon, share their views on the state of the field today and seek to spark discussion about promising new directions for researchers to pursue.

12:30 – 13:30
LUNCHEON
SESSION 58
PLENARY TRACK

TRACK Q  |  Date       | Sunday, Sep 29
         | Time       | 13:45 – 14:45 h
Plenary Panel  | Room       | Grand Ballroom ABC

The Future of Strategy in a Transient Advantage World

Panelists
Rita Gunther McGrath, Columbia University
Ryan McManus, Accenture
V. Ganapathy Subramanian, Infosys

Few observers dispute that economic change appears to be accelerating. Collapsing entry barriers, digitization and the advent of truly global competition in more sectors of the world’s economy have brought us to the point in which competitive advantages, even when they are achieved, have short lives. In this thought provoking panel, three experts will lay out their perspective of what strategy means when advantages are short-lived. Among the issues which will be addressed are how strategy should be created, how time compression changes decision-making and what new questions should be addressed. The panel reflects the views of the three major SMS constituencies – Rita Gunther McGrath from academia, V. Ganapathy Subramanian, head of strategy planning at Infosys for businesspeople and Ryan McManus of Accenture from consulting.

Rita Gunther McGrath, a Professor at Columbia Business School, is a globally recognized expert on strategy in uncertain and volatile environments. Her clients include Pearson, Coca-Cola Enterprises, General Electric, Alliance Boots, and the World Economic Forum. She is an instructor, a speaker, and a consultant to senior leadership teams. She was recognized as one of the top 20 management thinkers by global management award Thinkers50 in 2011. She’s also been recognized as one of the top ten business school professors to follow on Twitter. In 2009, she was inducted as a Fellow of the Strategic Management Society, an honor accorded those who have had a significant impact on the field. In 2013 she will serve as Dean of the Fellows. Rita Gunther McGrath is the author of three books in addition to her upcoming book The End of Competitive Advantage (Harvard Business Review Press).

Ryan McManus is the Global Growth & Strategy Leader and COO of Accenture’s 1700 person, Strategy and Transformation Consulting Practice, where he is responsible for the development of new consulting businesses, market entry, investment management, thought leadership and operations. He has published a number of articles on global M&A, innovation, international market expansion and emerging market entry. Ryan earned an MBA from the University of Chicago Booth School of Business.

V. Ganapathy Subramanian heads the Strategy & Planning function at Infosys. In this role, he leads strategy development and deployment, corporate performance management and operations planning. At Infosys, he was instrumental in institutionalizing key strategic management processes including the setting up of the corporate performance management function. He has over fifteen years of experience in the areas of strategy, finance and consulting in industries spanning technology services, banking and insurance. V. Ganapathy Subramanian holds a post graduate degree in management and his professional areas of interest include management control systems and enterprise performance management.

14:45 – 15:15
COFFEE BREAK
SESSION 83
LONG-TERM INTERACTIONS & COMPETITION

<table>
<thead>
<tr>
<th>TRACK E</th>
<th>Date</th>
<th>Sunday, Sep 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>15:15 – 16:30 h</td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Session Chair</td>
<td>Brian Wu, University of Michigan</td>
<td></td>
</tr>
</tbody>
</table>

An Enduring Regional Industrial Cluster: How Temporal and Organizational Heterogeneity Drive Post-Shock Recovery

Nydia MacGregor, Santa Clara University
Tammy Madsen, Santa Clara University

This paper develops tests theory on when and how regional industrial clusters evolve. Drawing on several research streams, we argue that the mechanisms that contribute to advantages of locating in a regional industrial cluster vary in strength as the cluster evolves before and after experiencing a major shock. Our approach conceives of regional industrial clusters as complex adaptive systems and emphasizes the roles of endogenous and exogenous mechanisms at the firm, industry, and regional levels in pulling a cluster through various stages of development. We model organizational founding as a function of regional industrial identity, localized competition, specialization, regional diversity, and symbiosis and commensalism, contingent on evolutionary stage. Our analysis covers organizations, industries and regional clusters (Silicon Valley) in California from 1990 to 2009.

Connections Undermine Connectivity: Concentrations of Market and Political Power and Mobile Teledensity

Kinde Wubneh, University of Pennsylvania
Witold Henisz, University of Pennsylvania

Access to telecommunications services promotes economic growth, but persistent economies of scale and network externalities tend to monopolistic or oligopolistic market structures which suppresses supply. Politicians can add uncertainty to the future revenue of operators by intervening in operations thereby dampening investment incentives. We use proprietary data on wireless subscribers to highlight how concentrations of market and political power lead to undersupply independently and through their joint presence that has a super-additive effect. As supplier concentration increases, mobile teledensity rates decline and this effect increases with concentrations of political power (the inverse of the Political Constraint Index). The nature of these institutional characteristics have important implications for the design of regulatory policy interventions as well as assessment by investors or consumers of regulated services.

Entry Diversion and Submarket Industry Evolution: Dominance of Incumbents, Disruption, or Isolation?

Bilgehan Uzunca, IIESE Business School
Bruno Cassiman, IIESE Business School

In this paper, we offer entry diversion as a new mechanism to explain dynamics that cannot be explained by the existing industry life cycle theories where no shakeout occurs or where one incumbent does not become dominant after a shakeout (e.g., disruption by entrants). Entry diversion happens when entrants observe that expected future profits from a target submarket are decreased by the presence of a cost-efficient incumbent down to a level that the entrant chooses to enter another submarket. Contingent on where entrants are diverted submarkets might reinforce incumbents’ dominance, grow to be disruptive leading to change in industrial leadership, or result in isolation. We test our hypotheses using submarket and firm level panel data in global semiconductor manufacturing industry between 1995-2013.

SESSION 75
MANAGING THE BOUNDARIES OF THE FIRM: ENTRY, EXCHANGE, AND EXIT

A Closer Look at Firms’ Product Market Dynamics

Douglas Miller, University of Illinois-Urbana Champaign
Hisao-shan Yang, University of Illinois-Urbana Champaign

We employ a highly detailed panel dataset of product classifications to document the dynamics of firm entry and exit, and particularly the frequency with which firms both enter and exit different product markets within the same year, which we call ‘product turnover.’ Approximately 17% of our sample firms in high-tech industries adjust their product portfolio annually, and nearly one-third of those are both adding and dropping products from their portfolio in the same year. The longitudinal nature of our data further allows us to investigate the path dependence of firm dynamics in product markets. We identify four patterns that other researchers should note when choosing different product category systems, time windows, and samples to study diversification and related behaviors.

Chasing Their Tails: Why Do Firms Subsidize Underperforming Business Units?

Carl Vieregger, Washington University-St. Louis

This paper applies a new, multidimensional measure of strategic capital allocation to the empirical tendency of firms to make repeated, cross-subsidizing investments in their relatively worst-performing business units. While controlling for structural-economic and managerial-agency barriers to exit, I find that strategic barriers such as business-unit synergy delay the firm’s decision to exit from its underperforming business units. While synergies may be an efficient rationale for these cross-subsidizations, I find that managers are ultimately not enhancing firm-level performance through these investments in highly-related, yet underperforming business units. A competing hazards model also enables me to account for any capital re-allocation toward more efficient investments.

The “Black Box” of Strategy: Competitive Responses to and Performance from Adverse Events

Jeffrey Macher, Georgetown University
James Wade, Emory University

In many markets, firms face adverse events that alter status quo, trigger responses, and shape performance. We examine the performance effects of an adverse event (a black box warning – BBW) on the competitive responses (via sales visit and promotion) of pharmaceutical firms. BBWs are medication-related warnings that appear on drug package inserts that indicate drug-related risks. Sales visit and promotion approaches are efforts by sales representatives to market drug products to doctors. We utilize publicly-available data on BBWs, and proprietary-level data on pharmaceutical firm sales visit and promotion approaches and doctors’ written prescriptions. We posit that firms alter competitive approaches when they or their rivals face BBWs; and BBWs and firms’ responses have performance consequences. Using several econometric models, we find support for our hypotheses.
Determinants of Alliance Partner Choice: Examining Alliance Partner Network Distance from Perspective of Agency Theory
Ribuga Kang, University of Minnesota
This study examines the role of firms’ corporate governance mechanisms designed to address agency problems in explaining alliance partner choices. Following the new perspective of agency behaviors in alliance contexts, I relax an implicit assumption that firms are a unitary entity in alliance contexts and examine if managerial opportunism is a significant problem in alliances’ partner choice, such as in acquisitions, diversification and R&D investments, by looking at partner network distance. Using a sample of 149 US firms from medical technology and green-technology industries from 1996 to 2010, I find support for the presence of agency hazards in alliance partner choice. Firms tend to form alliances with close over distant partners to avoid their employment risk when the firms are susceptible to managerial misalignment.

Exit Delay: An Experimental Approach
Daniel Elfenbein, Washington University-St. Louis
Rachel Croson, University of Texas-Dallas
Anne Marie Knott, Washington University-St. Louis
Exit/Divestiture is one of the two most salient corporate strategy decisions. There is substantial evidence firms struggle with exit—often delaying it substantially and thereby incurring significant losses in market value. The most prevalent explanation for these delays is “escalation of commitment” (EOC), but EOC is a phenomenon rather than a mechanism. In fact, there are at least seven biases that can be subsumed under EOC. Remediating the delay problem requires scholars to isolate the mechanism(s). We attempt to do this via a lab experiment where we compare treatment subjects who earn profits that depend in part on exit timing, while control subjects are compensated based solely on the accuracy of estimates about underlying profitability.

INNOVATION AND GLOBAL STRATEGY

Catch-up Strategies of Emerging Market MNEs in the Indian Pharmaceutical Industry
Kristin Brandl, Copenhagen Business School
Ram Mudambi, Temple University
The catch-up process of emerging market multinationals (EMNEs) is often influenced by market liberalization and government policies, especially in the pharmaceutical industry. We study catch-up processes in the context of innovation in the Indian pharmaceutical industry. We begin by surveying the industry’s history and institutional environment. We use the population of USPTO patents granted to Indian assignees as well as India-based inventors working for foreign MNEs. This enables us to incorporate knowledge flows occurring through organization-based “pipelines” as well as those occurring through individualized “personal relationships”. Our findings show that in the early stages of liberalization, most innovation was undertaken by foreign-based MNEs. As liberalization progressed, innovation by foreign firms reached a plateau while innovation undertaken by Indian entities, especially state sector organizations, took off.

Collaborating Across Boundaries: How Multinationals Benefit from Global Innovation Ecosystems
Torsten Oliver Salge, RWTH Aachen University
Erk Peter Piening, ESCP Europe
Sebastian Schaefer, RWTH Aachen University
This paper examines how multinationals can benefit from engaging in collaborative innovation activities that cross geographical, functional and temporal boundaries. Drawing on temporally sequenced data from German multinationals, this study finds a multinational’s innovative performance to improve with the extent to which the innovation ecosystem it is embedded in covers distinct regions (geographical scope), offers an alternative view of firm learning and institutions by combining insights from historical institutionalism and network analysis. Using unique survey data of Argentine autoparts suppliers, we argue that countries are their weak institutions and dysfunctional social capital. We and improve their upgrading capabilities? Key barriers for developing ecosystems help or hinder emerging market firms to capture spillovers and improve their upgrading capabilities? Key barriers for developing countries are their weak institutions and dysfunctional social capital. We offer an alternative view of firm learning and institutions by combining insights from historical institutionalism and network analysis. Using unique survey data of Argentine autoparts suppliers, we argue that firms gain improved access to diverse applied knowledge via ties to even distant partners to avoid their employment risk when the firms are susceptible to managerial misalignment.

Innovation and Internationalization in the Indian Pharmaceutical Sector: The Role of Ownership Structures
Saptarshi Purkayastha, Indian Institute of Management-Kozhikode
Tatiana Manolova, Bentley University
Linda Edelman, Bentley University
In this study, we combine insights from the strategic management, international business, and corporate governance literatures in order to explore the link between innovation and internationalization under different ownership structures in the context of the pharmaceutical sector in India. We test our four hypotheses on a sample of 63 research-active Indian pharmaceutical firms, all of them affiliated with business groups, over a five-year period (2006-2010) in a balanced panel of 315 firm-year observations. Results indicate that, while research expenditure is positively associated with export intensity, the strength of this relationship is significantly affected by the concentration of ownership (family, foreign corporate, or foreign financial). Theoretical and practitioner implications are discussed.

Network Recombination, Bridging Institutions, and Firm Upgrading: Building Collective Knowledge Resources in Emerging Markets
Gerald McDermott, University of South Carolina
Rafael Corredoira, University of Maryland
How does the interaction between MNC subsidiaries and local innovation systems help or hinder emerging market firms to capture spillovers and improve their upgrading capabilities? Key barriers for developing countries are their weak institutions and dysfunctional social capital. We offer an alternative view of firm learning and institutions by combining insights from historical institutionalism and network analysis. Using unique survey data of Argentine autoparts suppliers, we argue that firms gain improved access to diverse applied knowledge via ties to even resource poor non-market institutions that act as social and knowledge bridges between isolated producer communities.
GLOBAL STRATEGY PROCESSES

Competing for Performance: A Study of New Entrants in an Emerging Market
Erik Aadland, Bjørn Ambos, University of St. Gallen
Although emerging markets present opportunities for new firms to enter, they also face considerable obstacles because they have not yet established a reputation. We therefore examine a specific form of strategy – participation in industry competitions – that can be undertaken by a new entrant to develop a strong reputation in order to improve its position against its rivals. Based on such participation, we show that the reputation that can be developed by a new entrant can either be driven by perceptions of legitimacy or by perceptions of quality. Finally, our results show that the legitimacy driven reputation can hurt and quality driven reputation can benefit the financial performance of the start-up.

Corporate Portfolio Management in Strategic Management Processes: A Multi-Country Investigation of TMT and Board Influence
Jana Oehmichen, University of Göttingen
Ulrich Pidun, Boston Consulting Group
Michael Wolff, University of Göttingen
Our empirical study investigates whether TMT and board structure influence the relevance of corporate portfolio management (CPM) as part of the management process. We show that the presence of a chief marketing officer, board independence and board resource access increases the relevance of CPM. Additionally, we demonstrate the importance of national board systems, since the effect of independence increases in two-tier systems whereas the effect of board resources increases in one-tier systems. By using a mixed method research design that combines archival data from databases and annual reports with survey data we provide important theoretical and empirical insights for research on CPM and strategic planning, on TMTs’ and boards’ mechanisms to influence strategy and on the relevance of country-specific board systems.

Towards Process-Oriented Explanations of International Joint Ventures Exits
Alexander Nemeth, TU Bergakademie Freiberg
Michael Nippa, Technische Universität Bergakademie Freiberg
Referring to previous reviews that revealed methodical and empirical flaws of the research on International Joint Ventures (IJVs) exit and corresponding calls for alternative approaches we apply resource dependence and learning theory to develop a more process-related IJV exit framework and propositions, which we test using a multi-method approach yielding 22 in-depth case studies. Based on our empirical findings IJV learning theory is extended by identifying and integrating moderating factors such as IJV performance or exit barriers that frequently hinder the dissolution of IJVs, resulting in continuing an IJV, although the aforementioned theories would predict its termination.

Unfolding Key Organizational Episodes by Events: How a SOE’s Spin-off Evolves with Dual-linkage Processes
Yifei Du, University of Electronic Science and Technology of China
The purpose of this research was to develop a unfolding model of key organizational episodes in a SOE’s spin-off, who absorbed tensions between foreign giant firms and domestic parental company and went through environmental turbulences to a well-survival. I conducted a 5-year field-based research to analyze events evolving in time sequence. The model, built on in-depth interviews and over-200-event collections, suggests that a longitudinal evolutionary process be unfolded into three organizational episodes – generation, independence, and survival – linked to the dual-linkage processes. The constant linking with giants and buffering effects on spin-off at each episode, as well as more detail at each sub-episodes, are described. Implications for interorganizational relationships (IORs), entrepreneurship flexibility, and buffering in organizational research of spin-offs are discussed.

EXPLOITATION VERSUS EXPLORATION

Institutional Opportunities and Constraints for Exploration and Exploitation: A Cross-Country Analysis
Denisa Constanta Mindruta, HEC-Paris
Joao Eduardo Albino Pimentel, HEC-Paris
We examine the impact of macro-institutional environment on exploitative-explorative innovation. Building on organizational learning and institutional theories, we identify country-level institutions in the product, finance, education and labor markets that might foster or, conversely, hinder firms’ incentives and ability to engage in exploration versus exploitation. We test our conjectures by analyzing all patented firm innovations in 23 countries over the 1985-2008 timeframe. Underlying our empirical methodology is the premise that a long-term environmental tendency to create opportunities (or constraints) for one direction of innovation search over the other will generate distinctive patterns of innovation outputs. We discuss the implications of this study for the literature on the antecedents of exploration-exploitation, the institutional sources of inter-firm variation, and more broadly, for the national systems of innovation.

Opening Up but Staying Local: Insights from Partnership Formations between Established and Startup Firms
Thomas Klueter, IESE Business School
In this paper, we combine perspectives on organizational myopia and organizational learning to investigate how success and failure shapes the reaction of established firms to external partnering opportunities. We provide a dynamic model in which the general tendency of firms to search locally is moderated by prior failure and prior success in R&D. We argue that while prior failure is important to firms’ consideration of novel technological solutions, prior success can make them more receptive to solutions at an earlier stage of development. We examine potential and realized partnerships between established and startup firms in the bio-pharmaceutical industry and find support for our model. The study provides insights into how established firms respond to emerging partnering opportunities and explicates the role of prior success and failure affecting different myopic tendencies.

Sources Of A Duality Of Stability and Change: Exploring the Interrelatedness of Organizational Routines
Erik Strauss, WHU-Otto Beisheim School of Management
Sabine Spittler, WHU-Otto Beisheim School of Management
Juergen Weber, WHU-Otto Beisheim School of Management
Organizations operate in increasingly dynamic environments and experience a need for balancing stability and change as a prerequisite for sustainable organizational performance. Therefore, we study the
relationship between patterns of persistence and change by asking how organizations can succeed in balancing stability and change through carrying of knowledge across interrelated organizational routines. In the course of developing this contribution, our paper could potentially contribute to the theoretical conceptualization of organizational routines. Particularly, we try to emphasize the interrelatedness of organizational routines, the boundaries of organizational routines and the detection of change (along with an approach to differentiating change from variation or stability) within the academic discourse. Accordingly, we aim to resolve the nescience pertaining to the reciprocal but sometimes contradictory relation of stability and change.

### Sustaining Performance: Effects of Organizational Identity on Exploratory and Exploitative Activities
Diana Barbara Perra, Erasmus University-Rotterdam
Suzana Rodrigues, Erasmus University-Rotterdam

This work throws light on the effect of intimate organizational mechanisms on the sustainability of firm performance. We suggest that firm identity configurations have important implications on the organization’s capability to remain vital and responsive in turning contextual conditions. Our model addresses the implications of highly institutionalized organizational identities on the firm’s exploitative and exploratory behavior, and the moderating effect of transformational leadership on these relationships. The survey-based findings presented in this paper indicate that strong organizational identities are conducive to exploitation, but do not significantly affect exploration. Transformational leadership is confirmed to reinforce this positive effect.

### SESSION 135
**EXTERNAL KNOWLEDGE SOURCING AND INNOVATION**

**TRACK I**

<table>
<thead>
<tr>
<th>Paper</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sunday, Sep 29</td>
<td>15:15 – 16:30 h</td>
<td>Walnut Room</td>
</tr>
</tbody>
</table>

**Session Chair**
Carmen Weigelt, Tulane University

### Benefits of Vertical Specialization for Leveraging Knowledge Spillovers
Nandini Lahiri, Temple University
Carmen Weigelt, Tulane University

We study how a firm’s vertical scope affects its ability to leverage internal and external knowledge sources for innovation performance. Building on arguments that vertical scope influences the coordination of knowledge exchange inside the firm we suggest that vertical scope affects the leveraging of a) external knowledge in geographic clusters and b) internal technological diversity defined as knowledge spanning different technological domains for innovation performance. Using a sample of 103 vertically specialized firms and 165 vertically integrated firms in the semiconductor industry, we find that vertically specialized firms are better at leveraging their cluster access to knowledge. Similarly, while vertically specialized firms are superior at leveraging lower levels of internal technological diversity, vertically integrated firms are better at mitigating negative effects associated with higher diversity.

### Does Open Innovation Shape the Strategies of Small and Medium Sized Firms? Collaborations with the OS community and Firm Diversification
Massimo Colombo, Polytechnic University of Milan
Evila Piva, Polytechnic University of Milan
Cristina Rossi Lamastra, Polytechnic University of Milan

We investigate how collaboration with the Open Source community shape SMEs’ diversification strategies, as reflected by the scope of their product portfolio. Specifically, we study in which circumstances software SMEs actively collaborating with the OSS community can leverage the freely available resources of the OSS community for diversification. Econometric estimates on a sample of 101 European software SMEs show that a positive relation exists between the experience that SMEs have gained in collaborating with the OSS community and the scope of their product portfolio. This relation is positively moderated by the share of programmers in the firm workforce. Likewise, SMEs that are better able to leverage the individual absorptive abilities of their programmers as regards to the OSS community have a larger product portfolio.

### Linking Knowledge Sourcing with Commercialization Strategies: The Role of Absorptive Capacity
Lee Davis, Copenhagen Business School
Jerome Davis, Dalhousie University
Karim Hoisl, University of Munich

While the link between internal/external knowledge sourcing, absorptive capacity and innovation has been theoretically and empirically analyzed, the further link to how firms commercialize the resulting innovations – by themselves, or via an external party – has not been systematically explored. This is surprising, given Chesbrough’s (2003) emphasis that firms should use both internal and external ideas, and internal and external paths to market. This paper builds on and extends the existing literature by exploring how internal and external knowledge sourcing, combined with absorptive capacity, affect the choice of commercialization strategy. We find that while extensive external knowledge sourcing decreases the likelihood of internal commercialization, high absorptive capacity increases it. For managers, this underlines the importance of finding effective ways to integrate externally sourced knowledge.

### Solving Achilles’ Heel Problem in Open Innovation: Role of Diversity of Contribution & Locus of Selection
Poonam Oberoi, Grenoble Ecole de Management
Isabel Maria Budas Freitas, Grenoble Ecole de Management
Christophe Haon, Grenoble Ecole de Management

The focus of this conceptual paper is on how firms should organize for open innovation. We consider organizing for open innovation to be more intricate than just search strategies and hence elaborate a new definition of open innovation as a sequential two-step process comprised of getting diverse contributions and deciding on locus of selection. Locus of selection represents the Achilles’ heel problem in today’s open innovation process. Firms solely focus on gathering external contributions and ignore that under certain situations it might be worthwhile to share the decision making power. We develop a typology of different approaches to open innovation. Moreover, we use the characteristics of the problem to explain how a firm could organize itself and outline the salient operational aspects of open innovation.

### SESSION 57
**STRATEGY PRACTICE**

**TRACK J**

<table>
<thead>
<tr>
<th>Interest Group Panel</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sunday, Sep 29</td>
<td>15:15 – 16:30 h</td>
<td>Dogwood Room A</td>
</tr>
</tbody>
</table>
Entrepreneurial Firms and Signaling for Creditworthiness: A Bayesian Modeling Approach

Tevfik Aktekin, University of New Hampshire
Devkamal Dutta, University of New Hampshire
Jeffrey Kohl, University of New Hampshire

In this study, we develop a Bayesian model of factors an entrepreneurial venture utilizes to signal its creditworthiness. By doing so, the study makes two main contributions to the entrepreneurship literature. First, recognizing that access to liquid funds from external sources such as banks is a very important driver of firm survival and growth, we develop a multilevel model of factors that influence the venture’s creditworthiness as revealed in its D&B Paydex score. The multilevel model incorporates co-variates at the firm, industry and entrepreneurial cluster level and thus offers a more comprehensive explanation of factors that affect the venture’s creditworthiness. Second, the study also contributes to the growing literature on exploration of organizational and management issues through incorporation of Bayesian methods in analysis.

Formal vs. Informal Institutions: Competing Institutional Logics in the Development of Chile’s Venture Capital Industry

German Echecopar, Adolfo ibanez University
Sharon Matsuk, University of Colorado-Boulder
Carla Bustamante, University of Colorado-Boulder
Santiago Mingo, Adolfo ibanez University

Venture capital (VC) plays an important role in the development of an entrepreneurial ecosystem. Though many countries have attempted to develop their own VC markets, most of these efforts have met with mixed success at best. In this study, we draw on analytical narrative historical case study methodology and explore Chile’s efforts to develop a VC market. Based on our results and related literature, we find formal institutions have no direct effect on stimulating the development of a VC market. Rather, our data suggest it is informal institutions that have a direct effect on entrepreneurial opportunity development and ultimately VC investment; formal institutions moderate this relationship. Our findings have implications for theory, public policy, and the financial strategies of entrepreneurs and VC investors.

Space Cowboys?: Social Construction of Reputation and Legitimacy in the Space Tourism Industry

Craig Armstrong, University of Alabama
Melanie Lorenz, University of Alabama
Jeffrey Martin, University of Alabama

There are few moments in history when a new industry, new market, and new ventures are simultaneously created to take advantage of a newly perceived opportunity. New ventures are always susceptible to the liabilities of newness, but these pressures can be greatly magnified when new ventures are pursuing opportunities in the space of a new market and new industry. The leaders of these teams must simultaneously strive to gain legitimacy for both their own firms and the market/industry space they seek to serve. This exploratory empirical study tests the propositions of Aldrich and Fiol (1994) in the context of the nascent space tourism industry using a proprietary database of press releases over the past 12 years to explore the relationship between legitimacy-seeking activities and progress toward leadership status in this industry.

The Legitimacy of University Technology Transfer Offices

Conor O’Kane, University of Otago
Will Geoghegan, Syracuse University
Ciara Fitzgerald, University College Dublin

Technology transfer offices (TTO) are important intermediaries in the commercialisation process and can function as boundary spanners by bridging cultural barriers between universities and industry. Drawing on secondary data and 62 interviews with TTO management in 23 universities across three continents (Europe (Ireland), North America (New York) and Oceania (New Zealand)) we reveal how university academics and university management constrain the legitimacy of the TTO, as perceived by the TTO. Furthermore, we adopt a strategic view of legitimacy and illustrate how TTOs balance both conformance and manipulation strategies in their efforts to become more legitimate. We conclude that TTO legitimacy remains at a nascent stage of development and that their acceptance and normalisation is not keeping pace with their diffusion.

Learning to Collaborate through Collaboration: The Influence of External Alliances on Innovation

Michael Howard, Texas A&M University
Kevin Steensma, University of Washington
Marjorie Lyles, Indiana University

Prior research has demonstrated that alliances provide important learning opportunities for organizations, allowing them to gain access to valuable flows and repositories of knowledge. It has not established how the experiences in a learning alliance may influence the innovation practices of participating firms. Through a unique sample of biotech
organizations engaged in R&D alliances with Eli Lilly & Co., a prominent firm in the pharmaceutical industry, this study attempts to uncover the relationship between alliance social interaction and the subsequent innovation strategies and practices of the alliance partner firms. Specifically, we explore how partner firms learn and adopt collaboration practices through their alliance experiences. The results contribute to a greater theoretical understanding of organizational learning and the relationship between internal and external networks of innovation.

Once Bitten, Less Shy?: The Impact of Copying and Infringement Experiences on R&D Cooperation

Annika Lorenz, Berlin Institute of Technology
Theresa Veer, Technical University Berlin

We investigate how a company’s experience with legal copying of non-protected intellectual property (IP) and, contrasting, illegal infringement of intellectual property rights (IPR) influences its decision to cooperate on R&D. We base our argument on Argote & Miron-Spektor’s (2011) learning from experience framework, and we empirically test our hypotheses using data from the German Community Innovation Survey (CIS). We find that firms with experience regarding the legal copying of IP are less willing to engage in research collaboration, while in contrast, firms with experience regarding the illegal infringement of IPR are more likely to cooperate on R&D. Thus, we contribute to existing research by identifying a further driving factor and a new inhibiting factor for R&D cooperation.

SESSION 225
HARD DAY’S NIGHT: GOVERNMENT, REGULATION, AND CONTROL

<table>
<thead>
<tr>
<th>TRACK 0</th>
<th>Date</th>
<th>Sunday, Sep 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>15:15 – 16:30 h</td>
<td></td>
</tr>
</tbody>
</table>

Paper
Room Magnolia Room

Session Chair Daphne Yiu, Chinese University of Hong Kong

Notorious Numbers: Investors’ Mistrust and ‘Re-trust’ Following Restatements

David Gomulya, Nanyang Technological University
Samuel Tan, University of California-Berkeley

Only recently have researchers paid attention to how a firm’s reputation can be damaged and needs to be repaired. We ask whether and how the market proactively protects itself from any future incidence following a firm's reputation damage, and whether it would fully re-trust a fraudulent firm. Using the context of financial restatements, we measured market trust using the market’s reliance on earnings (easier to manipulate) and equity book value (harder to manipulate) information. We found that upon sensing a potential fraud, market trusts earnings less and book equity book value (harder to manipulate) less. This lack of trust does not change even after a restating firm has admitted its wrongdoing. However, market trust improved following a change in CEO, although not fully.

Political Market Rivalry and Firm Performance

Ariel Casarin, Austral University

We offer new empirical insights into how exogenous nonmarket structural factors, which we conceptualize as a political market involving demanders and suppliers of regulations, curb firms’ nonmarket actions with a consequent observable impact on firm performance. Our industry setting and empirical approach both permit overcoming several limitations of prior studies relating to the alliance of nonmarket strategies, the obfuscation of nonmarket action and the consequent performance outcome. Results indicate that rivalry among politicians appears to negatively affect firm performance, but that performance improves when public policies are supplied by political elites. We find that tariff increases occur earlier in political markets with fewer veto powers. Our findings also contribute to understand regulatory agency decision making in the context of the broader political environment.

The Role of Family, State and Institutional Ownership in Norm-Conforming Environmental Initiatives: Lessons from China

Pascual Berrone, IESE Business School
Kai Xu, Texas A&M University

This paper argues that ownership type matters in the decision of adopting norm-conforming environmental practices. More specifically, we argue that family ownership, given its strong emphasis on socioemotional elements, has a positive effect in the adoption of ISO 14001 certification; that state-owned enterprises, characterized by the paradox of public administration, has a neutral impact; and that institutional investors, driven by a clear economic focus, is negatively related with the adoption of environmental standards. We further suggest that, when the family ownership coexists with either state or institutional concentrations, it is generally the family’s preference for norm-confirming actions that prevail. Drawing on a sample of 556 Chinese firms over a period of 4 years, we find general support for our thesis.

When Will Government Effectively Mitigate Corporate Fraud in China?

Daphne Yiu, Chinese University of Hong Kong
William Wan, City University of Hong Kong
Yuehua Xu, Sun Yat-Sen University

In line with the sociological and comparative law literatures that government plays a significant role in the formation and enforcement of corporate governance system, we focus on examining if and when administrative governance, in the form of state ownership in firms, serves to mitigate corporate governance failures as represented by the likelihood of a firm’s to commit corporate financial fraud. Using bivariate probit analysis of 1,220 observations on Chinese listed firms during 2002 to 2010, we found that government in the form of state ownership does have a strong deterrent effect on firm’s likelihood of committing corporate financial fraud. We also specify that such a deterrent effect is strengthened when the controlling shareholder is a local state and weakened when the controlling shareholder is a state-owned enterprise.
Institutionalization in Divestiture Waves: Market Learning and Legitimacy-Related Effects of Shareholder Reactions

Miriam Flickinger, University of Passau

In this study, I investigate how institutional factors affect the reaction of shareholders to the announcement of divestitures. Traditionally, divestiture research has adhered to the financial economics perspective of the stock market where shareholders anticipate potential economic benefits gained from an announced corporate action such as divestitures and voice the anticipation of economic gains through their reaction to the announcement. Research on the social context of divestitures has, however, lagged behind. Therefore, in this study I refer to an institutional perspective of the stock market to consider how institutional support can have an influence on market effects.

Reconfiguring Regional Advantage: Cognitive Shifts and Mental Interventions

Elizabeth Maitland, University of New South Wales
Andre Sammartino, University of Melbourne

Utilizing a behavioral strategy lens, we explore the cognitive responses of the most senior strategic decision-makers in a large multinational corporation (MNC) to a new ‘regional’ strategic agenda that was ‘cognitively distant’ from the firm’s existing geographic and product configuration and focus. Further, we examine the mental interventions designed by the CEO to drive this agenda. We identify significant cognitive roadblocks at the individual, business unit and group levels in response to these initial mental interventions. We also examine how the firm’s psychological architecture elicited both significant cognitive shifts and frustration among the respondents. We track over time the reaction to the new agenda and the willingness of executives to proactively initiate footprint changes within their portfolio of product and geographic responsibilities.

Uncovering the Coupling of Quality and Intent in the Signals of MNEs

A. Erin Bass, University of Nebraska-Lincoln
Subrata Chakrabarty, University of Nebraska - Lincoln
Chris Tuggle, University of Nebraska-Lincoln

Are there qualitative differences in the intent signaled by buyers and sellers of global resources? Resource dependence theory highlights the need for MNEs to acquire external resources, and signaling theory suggests that MNEs convey the resources they have, in the markets in which they operate, through signals. We integrate these two theories and employ mixed methods to uncover the coupling of quality and intent of the signals of buyer and seller MNEs engaging in market transactions of external resources. This proposal highlights three contributions: the importance of buyer and seller MNEs engaging in market transactions of external resources, and the willingness of executives to proactively initiate footprint changes within their portfolio of product and geographic responsibilities.

SESSION 101
ENVIRONMENTAL CAPABILITIES AND PERFORMANCE

<table>
<thead>
<tr>
<th>TRACK A&amp;B, TRACK I</th>
<th>Date</th>
<th>Sunday, Sep 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>15:15 – 16:30 h</td>
<td></td>
</tr>
<tr>
<td>Room</td>
<td>Juniper Room</td>
<td></td>
</tr>
</tbody>
</table>

Session Chair: Juan Roeschmann, George Washington University

From Environmental Capabilities to Environmental Impact: Multinationals’ Response to Climate Change

Aoife Haney, University of Cambridge

Multinationals across a wide range of sectors are increasingly being required to develop new capabilities and reconfigure existing ones in order to respond to the challenges posed by climate change. Much of the environmental strategy research to date has focused on pollution prevention capabilities and has tended to separate the discussion of environmental from financial performance. In this paper, I examine the development of product stewardship capabilities by multinationals in response to climate change. I develop a two-stage longitudinal empirical model. The first stage investigates how managerial interpretation of climate change affects capability development. In the second stage, I assess how these capabilities contribute to improvements in carbon intensity, a measure that integrates both environmental performance and competitive advantage.

Impacts of Energy-Efficient Technologies on Firm Performance

Kam Ha Lui, Hong Kong Polytechnic University
Chris K. Y. Lo, Hong Kong Polytechnic University
Eric Ngai, Hong Kong Polytechnic University

An increasing number of firms have adopted energy-efficient technologies (EET) because of pressures from various stakeholders concerned with efficient energy use in company operations. However, whether EET adoption can reduce carbon footprints and improve the financial performance of organizations remains unknown to both academics and practitioners. The current study addresses this research gap by providing empirical evidence of the impact of EET adoption. Preliminary findings on 336 firms that have adopted EET in the United States (U.S.) show positive effects on the long-term performance of the firm. Over four years of adopting EET, carbon footprint, sales growth, and return on assets (ROA) significantly improved by 0.0110, 2.34 percent and 0.54 percent, respectively. This study recommends the adoption of EET to operation managers confronted by increasing pressure.

The Evolution Towards Sustainable Enterprise Models: The Selection and Interaction between Substantive and Symbolic Change

Kerstin Neumann, Bocconi University
Carmelo Cennamo, Bocconi University
Emanuele Bettinazzi, Bocconi University

Firms face increasing pressures from stakeholders to include sustainability concerns into the enterprise model. Firms respond to pressures through the use of symbolic and/or substantive change initiatives. The firsts aim to enhance the quality of the relationship with stakeholder and, in turn, increase legitimacy. The seconds aim to develop organizational competencies fostering, in turn, the evolution of the enterprise model. By integrating the literature on sustainability with insights from the evolutionary economics literature we aim to understand why some firms make substantive changes and why others focus just on symbolic initiatives. We propose a general model of choice between the two type of initiatives and we develop a theory on the interdependency between the outcomes of one choice on the effectiveness of the other.

The Value of Environmental Performance: The Certification for Sustainable Tourism and the Blue Flag Programs

Juan Roeschmann, George Washington University

Although there has been a considerable research effort directed at explaining and testing if the environmental performance of a firm can be associated with a competitive advantage, there has been little investigation that use voluntary environmental programs to measure superior environmental performance. Here I estimate with OLS and propensity score matching the relationship of the environmental performance and the price of the rooms in the entire population of hotels registered in Costa Rica. To measure the environmental performance of the hotels I use the Costa Rican Certification for Sustainable Tourism, a performance-based voluntary program. To measure the environmental performance of the communities of which the hotels are part I use the Blue Flag Program. Results indicate a positive correlation between both environmental performance measures and room price.
<table>
<thead>
<tr>
<th>SESSION 308</th>
<th>TEACHING COMMUNITY</th>
<th>TRACK T</th>
<th>International A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson:</td>
<td>Jay Dial, Ohio State University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Chair:</td>
<td>Margaret Cording, IMD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assoc Program Chair:</td>
<td>Robert Wright, Hong Kong Polytechnic University</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SESSION 296</th>
<th>COMPETITIVE STRATEGY</th>
<th>TRACK E</th>
<th>Cottonwood Room AB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson:</td>
<td>Glenn Hoetker, Arizona State University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Chair:</td>
<td>Gary Dushnitsky, London Business School</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assoc Program Chair:</td>
<td>Juan Alcacer, Harvard University</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SESSION 297</th>
<th>CORPORATE STRATEGY</th>
<th>TRACK F</th>
<th>Cypress Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson:</td>
<td>Donald Bergh, University of Denver</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Chair:</td>
<td>Laszlo Tihanyi, Texas A&amp;M University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assoc Program Chair:</td>
<td>Hei Wang, Singapore Management University</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SESSION 298</th>
<th>GLOBAL STRATEGY</th>
<th>TRACK G</th>
<th>Hazelnut Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson:</td>
<td>Timothy Devinney, University of Technology-Sydney</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Chair:</td>
<td>Elizabeth Rose, Aalto University School of Economics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assoc Program Chair:</td>
<td>Nandini Lahiri, Temple University</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SESSION 299</th>
<th>STRATEGY PROCESS</th>
<th>TRACK H</th>
<th>Sycamore Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson:</td>
<td>Tomi Laamanen, Aalto University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Chair:</td>
<td>Taco Reus, Erasmus University - Rotterdam</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assoc Program Chair:</td>
<td>Xavier Castaner, University of Lausanne</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SESSION 300</th>
<th>KNOWLEDGE AND INNOVATION</th>
<th>TRACK I</th>
<th>Dogwood Room A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson:</td>
<td>Gabriel Szulanski, INSEAD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Chair:</td>
<td>Corey Phelps, HEC-Paris</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assoc Program Chair:</td>
<td>Stefano Brusoni, Swiss Federal Institute of Technology-Zurich</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SESSION 301</th>
<th>STRATEGY PRACTICE</th>
<th>TRACK J</th>
<th>Chestnut Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson:</td>
<td>Timo Santalainen, Aalto University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Chair:</td>
<td>Hanna Lehtimaki, University of Tampere</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assoc Program Chair:</td>
<td>Elena Antonacopoulou, University of Liverpool</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SESSION 302</th>
<th>ENTREPRENEURSHIP AND STRATEGY</th>
<th>TRACK K</th>
<th>Hickory Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson:</td>
<td>Christopher Tucci, Swiss Federal Institute of Technology-Lausanne</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Chair:</td>
<td>Garry Bruton, Texas Christian University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assoc Program Chair:</td>
<td>Naga Lakshmi Damaraju, Indian School of Business</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SESSION 303</th>
<th>STRATEGIC HUMAN CAPITAL</th>
<th>TRACK L</th>
<th>Juniper Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson:</td>
<td>Pat Wright, Cornell University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Chair:</td>
<td>Todd Zenger, Washington University-St. Louis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assoc Program Chair:</td>
<td>Clinton Chadwick, University of Kansas</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>sms business meeting</th>
<th>Date</th>
<th>Sunday, Sep 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Meeting</td>
<td>Time</td>
<td>18:15 – 19:00</td>
</tr>
<tr>
<td></td>
<td>Room</td>
<td>Dogwood Room B</td>
</tr>
<tr>
<td></td>
<td>Robert Hoskisson, President</td>
<td>Steven Floyd, Treasurer</td>
</tr>
<tr>
<td></td>
<td>Marjorie Lyles, President-Elect</td>
<td>Nikolaus Pelka, Executive Director</td>
</tr>
<tr>
<td></td>
<td>Jay Barney, Past President</td>
<td></td>
</tr>
</tbody>
</table>

19:00 – 21:00 EVENING ON YOUR OWN
a systematic and analytic review of previous contributions to the dynamic capability view of firm strategy. To do this we use textual data analysis to review 107 papers published in 12 leading management journals between 1997 and 2011. We identify the core themes and constructs prevalent in the literature and discover differences between foci in conceptual versus empirical papers.

**The Genesis of Business Model Innovation: A Catalyst to Firm Performance?**
Margarete Kalinowski, Ramon Llull University
Luis Vives, Ramon Llull University
This study puts forward a typology of business model innovation and reveals the impact of the different types on firm performance. Extending prior research on business models, and building on the literature on innovation, we identify four types of business model innovation – improvement, restructuring, transformation, and displacement. Through a multiple case study, we identify the various mechanisms that play a role in each type of business model innovation and how they influence the firm’s performance. Then, we test these insights on a large data set of firms across industries. As a result, we show what impact business model innovation has on firm performance. However, the impact differs depending on the type of business model innovation.

**The Relationship between Profits and Horizontal Differentiation in the Product and Geographic Spaces**
Rosario Silva, IE University
There exists a broad agreement in the literature concerning the relationship between differentiation and higher profits; however, there is little research that analyzes how distinct types of differentiation are related to performance. This article examines the relationship of two types of horizontal differentiation (i.e., in the product and geographical space) with profits per room in a sample of hotels in Spain. The results show that firms unique in the services offered (i.e., horizontally differentiated in the product space) have higher profits; whereas those firms geographically isolated (i.e. horizontally differentiated in the geographical space) obtain lower profits. These results support the view that horizontal differentiation does not always lead to higher performance. The level of customer heterogeneity is considered as the underlying cause which motivates this different effect on profits.

**When Less Is Better Than More: Firm Strategic Disclosure and Competitors' Market Entry Decision**
Tieying Yu, Boston College
Wei Guo, Hong Kong Polytechnic University
This study examines features of incumbent firms’ disclosure and its relationship with potential entrants’ market entry decision. We predict that potential entrants are more likely to enter a market in which the incumbents’ discussion of performance and cost management is longer, more optimistic, and more precise. We further hypothesize that in an effort to increase the difficulties for competitors to interpret their performance information, incumbents may systematically use shorter, less optimistic, and more vague language to describe their performance and cost management as their performance increases. We plan to empirically test these hypotheses using a comprehensive U.S. airline industry data.
CORPORATE DIVERSIFICATION AND FIRM PERFORMANCE

TRACK F


Timo Sohli, IESE Business School
Govert Vroom, IESE Business School

This study examines the relative importance of three relatedness dimensions - product, customer, and business-model relatedness - to explain corporate performance. Using a unique dataset of 170 multiunit chain organizations from 1999 to 2010, we first verify prior empirical findings by showing that related product diversification is positively associated with performance. Beyond previous findings, results show that related customer and business-model diversification is also positively associated with performance. Interestingly, when simultaneously examined, related product diversification becomes insignificant, while related customer and business-model diversification remain significantly positively associated with performance. This finding suggests that the concepts of customer and business-model relatedness may better be able to capture resource relatedness among lines of business than the predominantly used concept of product relatedness.

Demand-Side Complementarities and Firm Scope

Jens Schmidt, Aalto University
Richard Priem, Texas Christian University

We argue that the facilitation of customers’ consumption activities affords a value-creation opportunity for firms and can provide an impetus for extending firm-level product market scope. We identify three ways how demand-side complementarities create value for customers, namely through economizing on prior knowledge and experience, through the fact that products may work better in conjunction when supplied by the same firm, or through reduced shopping costs. We use the resulting typology to shed light on how firms may gear their scope strategies towards exploiting these demand-side complementarities. Specifically, we build theory concerning which types of firms will exploit which types of demand-side complementarities, which types of markets they will likely enter, and in which sequence a firm’s scope will likely unfold.

Why There?: Decomposing the Choice of Target Industry

Lasse Lien, Norwegian School of Economics
Peter Klein, University of Missouri

How do diversifying firms chose their target industries? We provide a quantitative characterization of how diversifying firms chose target industry, with emphasis on the relative importance and tradeoffs between target market characteristics and the diversifier’s resources and capabilities. We avoid some key restrictions in earlier work by using a measure of relatedness that is unrestricted in terms of the types of relatedness we can capture, by using unrestricted population level samples, and by including measures of resource strength in addition to resource relevance. Our findings document that it takes enormous increases in target market attractiveness to compensate for small changes in the resource/capability match.

KNOWLEDGE, LEARNING, AND RESOURCES IN INTERNATIONAL STRATEGY

SESSION 184

Different Governance Mechanisms, Different Benefits: Knowledge Sharing in International Professional Service Firms

Sverre Tomassen, BI Norwegian Business School
Ragnhild Kvalshaugen, BI Norwegian Business School

The study investigates intra-organizational knowledge flows and explores types of governance mechanisms that enable knowledge sharing among different units in international professional service firms. The study is conducted in one multinational service provider offering professional consulting services and certification services worldwide in the oil and gas industry. The results of the study indicate that both formal and social knowledge governance mechanisms have positive effects on knowledge sharing (knowledge adoption and knowledge transfer). However, types (formal and social) and combinations (interaction effects) of knowledge governance mechanisms that enable knowledge sharing, varies across types of work. Hence, the study supports the previous claims in the knowledge governance literature that we need more understanding of the micro-foundations of knowledge sharing in order to enable these processes in organizations.

How Private Equity Firms Make Cross-Border Investments: Learning to Internationalize

Yang Fan, Erasmus University - Rotterdam
Hans Bruining, Erasmus University - Rotterdam

This paper examines the main effects of domestic and international investment experience of private equity firms on the likelihood of doing a standalone cross-border investment. We distinguish between experiential learning and inter-organizational learning from previous domestic and international investments respectively in stand-alone investments and in syndicated investments. Hypotheses are developed for the likelihood of making stand-alone cross-border investment. Additionally, the moderating effects of industry specialization and prior experience with syndication were assessed on the chance of making standalone cross-border investments. The hand-collected dataset comprises 15,522 deal observations from 2237 private equity investors located in 66 countries. Analyses indicate domestic experience has positive effects on standalone cross-border investments, but international experience has negative effects. Furthermore, a strong focus on service industry will promote the use of syndication, and reduce the likelihood of standalone cross-border investments.
Institutional Determinants of FDI Inflows in the Primary Sector(s)

Asmund Rygh, BI Norwegian Business School
Kristine Torgersen, Oxford Research
Gabriel R G Benito, BI Norwegian Business School

This paper studies the differential effects of host country institutions on attracting foreign direct investment (FDI) across industries within the primary sector. We identify relevant characteristics of each sector and perform empirical analysis using UNCTAD data on FDI inflows in industries in the primary sector from 1996 to 2007.

Institutional Leverage Capability: Using Home Country Institutions for SME Internationalization

Amit Karna, EBS University
Christian Landau, European Business School
Klaus Uhlenbruck, University of Montana
Ansgar Richter, EBS University

In this paper, we develop the construct of a firm’s institutional leverage capability (ILC). We also theorize micro-foundations of ILC and consequences for the internationalization of small and medium-sized enterprises (SMEs). Building on the dynamic capabilities view, we conceptualize ILC as a second order capability which rests in the three sequential capabilities of awareness, adoption, and adaptation of institutions. We propose that SMEs with high levels of these three capabilities will show high levels of ILC, which in turn will enable SMEs to internationalize and increase performance. Through the development of the ILC construct we contribute to the integration of institutional theory and the capability-based view and help to understand how firms utilize institutions provided by their environment.

Management of Foreign Subsidiaries in Emerging Countries: Power, Knowledge Transfer and Trust

Masato Sasaki, Hitotsubashi University
Yuko Yamashita, Hitotsubashi University
Yuichi Washida, Hitotsubashi University
Wataru Uehara, Hitotsubashi University
Gen Fukutomi, Kyoto Sangyo University
Hiroyuki Fukuchi, Hitotsubashi University

This paper focuses on the problem of managing a foreign subsidiary in multinational corporations (MNCs). Based on previous research, our prediction is that a local subsidiary’s decision-making power, knowledge transfer ability, and trust between the local subsidiary and its corporate headquarters positively affect subsidiary performance; and knowledge transfer and trust effects are contingent upon the degree of power in a local subsidiary. Using data from 97 subsidiaries of 48 firms headquartered in Japan, mostly operating in emerging countries, these hypotheses are empirically tested. The regression analysis results support our hypothesis, and we suggest two different management styles for foreign subsidiaries. We find that the corporate headquarters can actively transfer knowledge with subsidiaries by delegating substantial power to foreign subsidiaries and maintaining their trust, and continuing to control subsidiaries.

The Benefits and Limits of VCS’ Home-Country Status in Explaining Venture Performance

Elisa Alvarez-Garrido, Georgia State University
Isin Guler, Sabanci University

Venture capital has increasingly become a global investment activity, with many venture capital investors reaching beyond national borders in search of investment opportunities. While the literature on global venture capital has been increasing, we still know little about how funding from international venture capital investors influences the performance of ventures. In this study, we aim to examine how the home-country status of venture capital firms influences the performance of their international investments, and how country-level factors change the impact of home-country status on venture performance.

SESSION 211

INTERNATIONALIZATION: STRATEGIES FOR ENTRY AND EXIT

<table>
<thead>
<tr>
<th>Paper</th>
<th>TRACK G</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disentangling Foreign Markets’ Exit: An Analysis of Drivers and Contingencies</td>
<td>Monday, Sep 30</td>
<td>08:00 – 09:15 h</td>
<td></td>
</tr>
<tr>
<td>Session Chair</td>
<td>Charles Stevens, Lehigh University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td>Room</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alessandra Perri, Ca’ Foscari University of Venice</td>
<td>Hazelnut Room</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enzo Peruffo, Luigi Guido Carli University</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raffaele Oriani, Luigi Guido Carli University</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This project investigates firms’ choice to exit foreign markets. We start from conventional literature suggesting that firm-internal factors drive exit choices, and propose that firms are more likely to exit foreign markets when they face high operational complexity. Moreover, we embrace institutional theory and more general international business literatures to improve our understanding of the contingencies that influence firms’ foreign markets exit. Our theoretical model suggests that both institutional distance and the degree of local competitive pressure interact with firms’ operational complexity when explaining foreign market exit. Empirically, we follow recent literature (Giarratana and Torrisi, 2010) and use an innovative measure of foreign activity - namely, the registration of trademarks in the US - to trace the persistence of firms’ presence in the foreign country.

Early International Entry and Strategic Configurations: Implications for Competitive Advantage, Growth, and Performance

David Williams, University of Tennessee
Denis Gregoire, Syracuse University

In spite of many studies on the antecedents and consequences of internationalization, few studies have investigated the long-lasting consequences of different patterns of internationalization (early vs. late, close vs. distant, and low vs. high commitments) and that across multiple rounds of foreign entry. As a result, theoretical understanding of the emergence of sustainable competitive advantages for internationalization remains limited. To augment academic understanding of this important question, we examine the path dependencies created by configurations of such early strategic choices as well as the effect of these choices on firms’ internationalization profile and financial performance. Doing so, we provide insights about why, when, and under what specific conditions early-internationalization strategies might lead to the development of long-lasting competitive advantages and sustainable superior performance.

Political Geography and Foreign Direct Investment Performance: Is Spatial Proximity to Central Government Politicians and Bureaucrats of Capital Value?

Marie-Ann Betschinger, NRU Higher School of Economics

This paper investigates if geographical proximity to central government politicians and bureaucrats matters for foreign direct investment performance. We argue that proximity to national government politicians and bureaucrats, and the formal and informal communities they are part of, permit firms to obtain wider and quicker access to information and gain weight in influencing political or bureaucratic outcomes. Analyzing a sample of 6,698 foreign affiliates of 1,339 Japanese parent firms in 76 countries, we find that a capital city location increases foreign affiliate performance. A country’s institutional environment moderates the effect.
Substitutes or Complements? Performance Implication of Joint Decision on FDI Location and Entry Mode
Min Jung Kim, Korea University
Jungbien Moon, Korea University

We study the interrelated decision on entry mode choice and location choice when firms make a foreign direct investment, and investigate how the joint decision affects the performance of foreign invested firms compared to that of local firms. Specifically, we try to identify whether the entry mode of joint venture and choosing a location with high foreign-firm agglomeration can function as substitutes or complements in explaining post-entry performance of foreign investors. We employ a two-stage probit least squares method to examine how entry mode and location choice are jointly determined, and use propensity score matching and difference-in-differences approach in order to investigate the performance implication of this joint decision on entry mode and FDI location.

SESSION 212
STRATEGIC PROCESSES WITHIN NETWORKS AND STRUCTURES

Brokerage Spaces: How Informal Networks Transform Formal Structure in the Pursuit of Complex Tasks
Ranjay Gulati, Harvard University
Luciana Silvestri, Harvard University

Complex tasks often require the combination of resources and expertise that are widely dispersed across the firm. Our in-depth inductive qualitative study analyzes how the informal organization actively transforms the formal organization to facilitate and support the fulfillment of complex tasks in a large professional services organization. We introduce the concept of “brokerage space” as a distinct kind of intra-organizational context arising from the overlap between formally defined units – an overlap created not through formally established processes but through the actions of informal networks. We analyze the peculiar nature of these spaces and specify their structural consequences for the firm and their socio-cognitive consequences for both the top managers supporting the formal structure and the individuals engaged in informal networks.

Interfirm Networks and the Performance of Strategic Initiatives: The Role of Network Type
Karolin Frankenberger, University of St. Gallen
Dirk Voelz, SAP Research
Oliver Gassmann, University of St. Gallen

This study examines the relationship between inter-firm networks and the performance of strategic initiatives. Theory suggests that the strength of these relationships is contingent upon the type of network ties. An analysis of 73 strategic initiatives in 10 different firms in the software industry supports the moderating role of the type of network tie (market-based ties versus science-based ties) for tie strength, cognitive closeness, and structural holes, showing that tie strength and structural holes are more important and cognitive closeness is less important or even negative for the performance of strategic initiatives with science-based partners. The results show that different network configurations are beneficial for groups pursuing strategic initiatives dependent on the type of network tie.

Intersector Cooperations, Dynamic Capabilities and Performance in Sustainable Development Consortia
Marie Clemence Da Fonseca, Montpellier Research Management

The objective of this research is to analyze the implementation of inter-organizational strategies (IOS) of firms responding to issues of SD. In order to achieve this, we focus on intersectoral cooperations (ISC) implemented by firms dedicated to SD. In particular, we investigate the case of two French SD consortia which emerged amongst many sectoral initiatives in the mid-2000. Our aim in this study is to highlight the specificities that characterize these inter-organizational forms. The latter gathers members coming from various sectors around CSR implementation problems compared to other collaborative initiatives. In this respect, we mobilize the dynamic capabilities’ framework which enables us to appreciate these ISCs, given the evolutions and changes which require the development of specific competencies at various levels of analyses.

What’s Central to Alignment? How Group and Member Network Centrality influence Strategic Consensus Between Groups
Jeanine Porck, Erasmus University-Rotterdam
Murat Tarakci, Erasmus University-Rotterdam
Daan van Knippenberg, Erasmus University-Rotterdam
Nufer Yasin Ates, Erasmus University-Rotterdam

Organizational groups function in a strategy-driven context of interdependent relationships with other groups and need to coordinate and align their strategic efforts. Although it seems clear that inter-organization networks influence this coordination, little theory exists about their effects on strategic alignment between groups. This field study examines the relationship between both group and member centrality and strategic consensus between groups. Our results show that in dyad the group’s centrality and the most central member of each group are determining factors for the degree of consensus between the groups. Thereby we show that the most central individuals may be a key strategic source at the heart of strategic alignment among groups in the organization. We discuss how these findings speak to the promise of a network perspective on between-group strategic consensus.

SESSION 129
THE INTERPLAY BETWEEN EXPLORATION AND EXPLOITATION

Explore What You Exploit: A Theoretical Process Framework of Routine Replication in Contextually Ambidextrous Organizations
Florian Johannes Osterrieder, Bundeswehr University Munich
Maximilian Eberl, Bundeswehr University Munich
Stephan Kaiser, Bundeswehr University Munich

Based on recent theoretical findings and our multiple-case study of five plant engineering initiatives at a leading original equipment manufacturer (OEM) for the automotive industry, this paper presents an extended theoretical framework of routine replication at the business unit level. Prior research suggests that ambidextrous firms (i.e., simultaneous pursuit of exploitation and exploration activities) can achieve superior performance. Our research indicates that in a contextually ambidextrous organization, characterized by discipline, support, trust and stretch, routine replication mediates between the ostensive and the performative aspects of routines. Assuming a substantial interdependence between forward and reverse knowledge flow, routine replication thus acts as a source of stability and innovation. This result demonstrates the strategic value of routine replication for the entire organization.
From Differentiation to Reconciliation: How Compensatory Structuring Reunites Exploration and Exploitation in SMEs

Martin Jakel, University of St. Gallen
Alexander Zimmermann, University of St. Gallen

Prior studies assume that organizational structuring should align the dimensions of centralization, formalization, and specialization, resulting in exploratory organic structures, or exploitative mechanistic structures. Accordingly, researchers argue that exploration and exploitation need to be pursued in distinct organizational domains. Alternatively, we suggest that compensatory structuring (the ability to combine structural characteristics that foster different strategic orientations) may allow reconciling the two activities’ conflicting demands within a single organizational domain. Based on a study of 184 SMEs, we find a positive effect of compensatory structuring on ambidexterity, which is mediated by the behavioral context. We contribute to ambidexterity theory by discussing the insight that structuring may not only be used to differentiate, but also to reconcile exploration and exploitation.

The Role of Multiple Ostensive Aspects in Practicing Change and Stabilizing Routines: A Case Study of a Merger

Mehdi Safavi, University of Edinburgh

Organizational transformations, such as mergers, alter the organizational and occupational structure of everyday work, providing the chance to observe change and stabilization of organizational routines. However, current theories of organizational routines are inadequate to the potential number of structural variations inherent in an organizational transformation. Taking a practice lens, this study analyses these structural variations by depicting the relationship between multiple ostensive aspects of administrative created by multiple pressures for consistency in two merging institutions, on one hand, and change and stabilization in the administrative routines in the merged entity, on the other.

Uncovering an Enabling Relationship between Exploitation and Exploration: Evidence from the Pharmaceutical Industry

Osamu Suzuki, Kwansei Gakuin University

Organizational learning scholars argue that there is a complementary relationship between exploitation and exploration. However, they have scarcely examined a mutually enabling relationship between exploitation and exploration in which exploitation enables subsequent exploration. We try to address this research gap by uncovering conditions under which exploitation enables subsequent exploration. Extending prior work on problemistic search, deliberate learning, and speculation, we argue that a negative association between firms’ exploitation orientation and subsequent exploration is moderated by their degree of aspiration discrepancy, deliberate efforts to articulate / codify learning, as well as replication of existing knowledge across distinct contexts. Our empirical analysis of pharmaceutical new product developments during 1991-2000 supports our hypotheses. We also discuss our findings’ implications to research on antecedents of organizational ambidexterity.

External Knowledge Search and Recombination Through Corporate Venture Capital Investment

Sheryl Winston Smith, Temple University
Won Kyung Min, Temple University
MB Sarkar, Temple University

Building on the external knowledge search and knowledge structure literatures, this paper proposes that incumbent firms use corporate venture capital (CVC) investment as a means of tapping into external knowledge generated by startup companies which the incumbent can then recombine with its existing knowledge base. We hypothesize that incumbents recombine knowledge components from the startup companies in which they invest as a function of the CVC relationship. The empirical setting is the medical device industry. We test our hypotheses with novel, hand-collected panel data on matched patent dyads between citing (i.e. incumbent) and cited firms (i.e. startup) in the global medical device industry over the period 1978-2010. We provide evidence that CVC provides an effective channel through which incumbent firms learn to recombine portfolio firms’ knowledge components.

R&D Alliances as a Substitute for In-House Knowledge Search in Biopharmaceutical New Product Development

Turanay Caner, North Carolina State University
Beverly Tyler, North Carolina State University

Research has shown that R&D alliances substitute for in-house knowledge search routines, rendering in-house knowledge search redundant. In this study we seek to explain how R&D alliances provide access to knowledge not already available to firms through established knowledge search routines. We present a case study of a biopharmaceutical firm that concludes R&D alliances serves as a substitute for in-house knowledge search routines. In this study we seek to explain how R&D alliances substitute for in-house knowledge search routines, rendering in-house knowledge search redundant. We present a case study of a biopharmaceutical firm that concludes R&D alliances serves as a substitute for in-house knowledge search routines.

The Effect of Knowledge Flows Outside the Scope of an Alliance on Knowledge Creation within the Alliance

Simona Ileana Giura, Rensselaer Polytechnic Institute
Iftekhar Hasan, Fordham University
Shyam Kumar, Rensselaer Polytechnic Institute

Prior research argues knowledge flows outside the scope of an alliance are mainly the result of knowledge leakage and appropriability hazards. We argue instead that knowledge flows outside the scope of an alliance may not necessarily be harmful- these flows may also occur as partner firms attempt to develop absorptive capacity and a deeper knowledge of each other’s capabilities, and as such they are likely to play a critical role in facilitating knowledge creation in alliance areas. We provide various pieces of evidence in support of this argument. Most importantly we show that knowledge flows within the scope of the alliance were positively associated with knowledge flows outside the scope of the alliance, indicating that the two flows were complementary and reinforcing, rather than being inimical.

Types of R&D Collaborations and Inventions of Firms

C. Anique Un, Northeastern University

In this study we analyze how different types of R&D collaborations (with universities, customers, suppliers, and competitors) affect a firm’s inventions. Building on the knowledge-based view of the firm, we argue that different types of R&D collaborations will have a different impact on the firm’s inventions because of two knowledge dimensions of the partners: newness and ease of obtaining their knowledge. Based on these two knowledge dimensions, we argue that collaborating with universities...
and customers will result in the firm generating more inventions than with suppliers and competitors. An empirical analysis of manufacturing firms shows that collaborating with universities and customers have a positive impact on the firm’s inventions while collaborating with suppliers and with competitors appear to have limited impact.

SESSION 146
RESOURCES ALLOCATION AND INNOVATION

**Pre-Entry Resources, Strategic Positioning Choices and Dominant Designs: Evidence from Hard Disk Drives**

Anu Wadhwa, EPFL
Richard Tee, Ecole Polytechnique Federale de Lausanne
Christopher Tucci, Ecole Polytechnique Federale de Lausanne

We investigate the role that strategic positioning choices and pre-entry endowments play in determining the post entry innovative performance of firms that enter new markets. We hypothesize that the flexibility enjoyed by small entrants allows them to position themselves aggressively in new markets and results in higher innovative performance. We also argue that not all small entrants suffer from a liability of newness and some possess pre-entry endowments that can help anticipate and introduce product offerings with dominant design elements.

**Shift in Value Creation: Competence-Destroying Discontinuity on Complementary Assets**

Alessio Cozzolino, Bocconi University
Gianmario Verona, Bocconi University

Technological changes often challenge incumbents’ sustainability by transforming the competitive landscape of industries. Extending the literature on discontinuous changes, our research considers a situation when a technology leaves unchanged (or even enhances) incumbents’ core know-how but destroys the complementary assets. We detail a series of mechanisms, including the changing access to the core know-how and the impact on the availability of resources, which overall help explaining why incumbents lose competitive advantage in this situation while entrants gain it. Methodologically, we conducted an in-depth longitudinal study of the traditional newspaper industry after the Internet, from 1995 to 2012. The research presents a model and elaborates a set of propositions that clearly describe this type of technical change and its implications for competitive advantage.

**Subsidiary Bootstrapping: A Decentralized Model for Emerging Market Innovation**

Srivardhini K Jha, Indian Institute of Management-Bangalore
Rishikesh Krishna, Indian Institute of Management-Bangalore
Ishwardutt Parulkar, Cisco Systems

The rapid rise of emerging markets, characteristically distinct from developed markets, has created an imperative for developed country Multinational Enterprises (MNEs) to innovate specifically for these markets. Previous studies have argued that this requires a concerted innovation effort led by the corporate headquarters i.e., a top-down approach. Based on an in-depth study of Cisco’s ASR 901 project, this study explores an alternate, decentralized approach called ‘subsidiary bootstrapping’, where the emerging market subsidiary leads the innovation effort by leveraging the modest resources at its disposal and incrementally secures more resources and support from headquarters. The study identifies the unique structures, processes and resource arrangements associated with this approach, extending the conversation on MNE innovation for emerging markets.

**Whether and How Does Firm Size Affect Innovation Activity?**

Michael Leiblein, Ohio State University
Justin Miller, Ohio State University

While a number of reasons exist to suggest that firm size affects innovation activity, the fragile findings in existing empirical research suggest that there are limitations in the insight we can glean from simple associations between coarse measures of firm size and crude measures of innovation activity. The objective of this research is to identify specific resource allocation and organizational policies pursued by small-, mid-, and large-sized firms and to associate the presence of these mechanisms with particular innovation outcomes. The proposal outlines a set of propositions and will report the results of a large-scale national survey of senior executives in US firms.

SESSION 27
CHANGE AND STRATEGY DEVELOPMENT

**Breaking Out of Strategy Vectors to Deliver Discontinuous Change**

Julia Balogun, Bath University
Steven Floyd, University of Massachusetts-Amherst
Martin Friesl, Lancaster University

This paper explores the challenge of organizations to develop new capabilities in situations of co-evolutionary lock-in. In these situations changing the strategic direction is difficult because the internal selection environment is ‘poisoned’ by the perceived success of the current strategy which inhibits exploratory strategic initiatives and allocates resources into the existing strategy. This constitutes a major challenge for organizations to breaking out of strategic vectors and renewing its capability base. This paper develops new theory that highlights the necessity of focused changes to the structural context in order to allow firms to break out of existing strategy vectors. We differentiate between three stages of discontinuous change: trajectory breaking, shifting and accelerating and use the FIAT case to illustrate the conceptual arguments developed in this paper.

**Exploring Micro-Practices during Strategy Development**

Maureen Meadows, Open University
Frances O’Brien, Warwick University

This paper uses video data of a strategy workshop to explore the micro-practices that can be observed during a strategy development exercise. The paper addresses a gap in the extant literature concerning how strategy tools such as SWOT are used in practice, and in particular within a strategy workshop setting. The study also suggests that a strategy workshop can be analysed as a number of ‘micro-practices’, labelled here as ‘preparing and orientating’, ‘generating and working with content’, and ‘reflecting and validating’. Our findings are of significance for both academics and practitioners, as they have the potential to influence the future design of strategy tools, as well as their appropriate introduction in workshop settings. Future research should focus upon gaining a better understanding of the role played by middle managers in strategy development, and the range of micro-practices that they engage in.
Surviving the “Ghosn Shock”: The Effect of Institutional Logics on Buyer-supplier Tie Dissolution and Creation
Christina Ahmadjian, Hitotsubashi University
Daisuke Uchida, Hitotsubashi University
In this study, we examine how Carlos Ghosn’s leadership of Nissan, and his drastic restructuring of Nissan’s relationship with its suppliers (the “Ghosn Shock”), transformed buyer-supplier relations in the industry from a logic of relationships to one of market. We argue that understanding changes in institutional logics is key to understanding changes in competition in an industry, and that these changes come not only from institutional entrepreneurs like Carlos Ghosn, but from resulting changes in behavior in firms across the field. We highlight in particular that changes in logics come from changes in interactions between different categories of firms—in our case, buyers and suppliers, and suppliers of Nissan and other auto assemblers.

When Behaviour Meets Strategy: Sustaining the Effectiveness of Project Initiation Decisions
Mark Mullaly, Interthink Consulting Incorporated
Making decisions regarding the initiation of projects is fundamental to the determination of organizational strategy. The decision making literature has highlighted the role of behaviour in decision making, and a particular focus of this paper is the role that rule following and agency plays in supporting effective project initiation. Depending upon the context of the organization, agency has been demonstrated in a larger research study to determine, influence or be constrained in making project initiation decisions. This paper expands on this research to explore the influence of culture, politics and agency as is exercised by participants in organizations in the financial services sector to support or subvert effective decision making environments.

SESSION 22 INNOVATION AND STRATEGIC ENTREPRENEURSHIP

EDUCATIONAL MISMATCHES AND ENTRY INTO ENTREPRENEURSHIP
Briana Sell, Georgia Institute of Technology
In this study, educational mismatches are examined. I complement prior research by using the NSF’s Longitudinal Scientists and Engineers Statistical Data System to analyze the reasons scientists and engineers report for being mismatched, in order to distinguish between those who voluntarily choose to be mismatched for reasons such as career change, work conditions, and salary versus those who are forced into a mismatch because no jobs were available in their educational field. I find that those who are mismatched receive lower salaries and have lower job satisfaction rates but are engaged in a broader set of work activities, particularly non-R&D activities. I also find that those who are mismatched, and particularly those who are voluntarily mismatched, have a much higher probability of entering entrepreneurship.

RESOURCE SLACK AND KNOWLEDGE CREATION FOR NEW TECHNOLOGY-BASED FIRMS: QUESTIONING THE VALIDITY OF AGENCY THEORY FOR ENTREPRENEURSHIP RESEARCH
Yongseok Jang, University of Florida
The relationship between resource slack and performance is still the center of controversy. To respond to the slack-performance puzzle, this study investigates its impact on the knowledge creation of NTBFs. The following questions will shape and guide this study: How do entrepreneurs achieve resource slack? In what contingencies do agents take care to maximize use of excess resources, and how? Does financial slack matter to knowledge creation? I expect to highlight the relationship between excess financial resources and enhance the knowledge creation of NTBFs. I also expect to invalidate the biased assumptions of agent theory in terms of entrepreneurship research by highlighting the moderating effects of separation between ownership and control, organizational structure, and the availability of incentives.

SESSION 93 EXPLORING SOURCES OF FIRM SPECIFIC HUMAN CAPITAL

EXTENDING THE MANAGERIAL RENTS MODEL: THE ROLE OF COUNTRY-SPECIFIC SKILLS
Yannick Thams, Florida International University
Aya Chacar, Florida International University
This study proposes extending the managerial skills typology in the managerial rents model. We propose adding country-specific skills in addition to firm-specific, industry-specific, and generic skills. Country-specific skills are valuable, rare, hard to imitate, substitute, and transfer. These skills are also distinct from the other three types identified and will
Isolating General Human Capital from Competitors: The Effect of Occupational Concentration and Pay Dispersion
Alireza Keshavarz Maman, HEC-Paris
Value generation by high performing workers and appropriation of this value by employers is a source of competitive advantage, which can be eroded by mobility of high performers to competitors. Investment in firm specific human capital may isolate high performing workers; however, this mechanism is not applicable for organizations that mainly use general human capital. Greater relative pay dispersion may retain high performers but it leads to value appropriation by workers rather than the firm. I explore the implications of another isolating mechanism i.e. geographic concentration of occupations on retention of high performers and pay dispersion of firms. Findings suggest that firms located in regions with low occupational concentration may isolate their high performing workers while keeping the relative pay dispersion low.

Managerial Relationships and Firm Specific Skills
Matthew Bidwell, University of Pennsylvania
Michael Housman, Evolv, Inc.
Although firm specific skills play a central role in theories of strategic human capital, we lack a detailed view of the nature and sources of those skills. We propose that relationships within the workplace, and relationships with a manager in particular, may be an important component of those skills. We note some of the implications of viewing managerial relationships as a form of firm specific skills, such as the potential for those skills to fluctuate with worker or manager mobility, and the challenges for firms of extracting those rents. We also describe a study to test how the development over time of relationships with managers affects worker performance using unique data on call center workers.

Perceptions of Firm-Specific Human Capital: Untenured and Uncommitted
Joseph Raffiee, University of Wisconsin-Madison
Jie Feng, University of Wisconsin-Madison
Russell Coff, University of Wisconsin-Madison
Rooted firmly in human capital theory, strategy scholars have emphasized the importance of firm-specific human capital as a source of competitive advantage. In this study, we test several predictions from human capital theory utilizing a novel measure of firm-specific human capital based on employee perceptions. Using multiple methods and independent data sources from two countries, we find that, contrary to extant theory, organizational tenure and commitment are negatively related to the perceived firm-specificity of employee skills. Consistent with this, we also find that employees in managerial occupations perceive their skills to be relatively less firm-specific. This calls into question the assumed relationship between firm specific skills and competitive advantage. We offer an explanation for these counterintuitive findings and discuss the implications for future theoretical and empirical work.

Antecedents of Board Declassification
Karen Schnatterly, University of Missouri
Richard Johnson, University of Missouri
John Berns, University of Missouri
John Howe, University of Missouri
Many boards of directors are moving from one-third of their members elected every year to electing all members every year (declassifying). The argument for declassifying a board is that it is more transparent to shareholders, and presumably more likely to serve as an effective monitor of management. Based on the Managerial Entrenchment Hypothesis we argue that boards that do yield to pressure to declassify themselves also put in place greater protections from shareholder democracy prior to or immediately around the declassification. Our results at this point are mixed indicating some support for the entrenchment hypothesis. Support may also be found for investors pressing managers and the board for non-symbolic meaningful change.

Identity Crisis: Exploring the Nested Monitoring Roles of Securities Analysts
Ryan Krause, Texas Christian University
Timothy Maynes, SUNY Buffalo
Matthew Semadeni, Indiana University
One stakeholder group that has received considerable empirical attention lately is the community of securities analysts who externally monitor publicly traded firms. The exact nature of this monitoring, however, remains somewhat obscure. We theorize that analysts’ identity as monitors of corporate governance is nested within their broader identity as monitors of firm performance. As such, analysts will respond negatively to weak corporate governance, but only if firm performance is also weak. We test this theory using both a lab experiment with MBA student participants and an analysis of archival data consisting of actual analysts’ recommendations for publicly traded stocks. Both methodological approaches produced results strongly supporting our theory.

The Emergence of a New Category: A Case Study of “Conflict-Free” Gold
Shahzad Ansari, University of Cambridge
Juliane Reinecke, University of Warwick
The origins and consequences of category emergence have attracted increasing scholarly attention. We conduct an inductive study of the emergence of a new category in gold based on the source of its origin; “conflict free” gold. This has direct implications for the sourcing strategies of firms from a variety of industries such as electronics and automobiles.
We show how multiple stakeholders—government, business, and civil society institutions—with divergent interests leverage different cultural and moral values to construct and legitimize new categories. While many studies focus on the role of categories as socio-cognitive cultural schemas that shape value and perform markets, we emphasize how categories are the result of power struggles among different stakeholders to create and influence the meaning of categories in advantageous ways.

**SESSION 8**

**CONTRACT DESIGN, TRUST, AND ALLIANCE OUTCOMES**

<table>
<thead>
<tr>
<th>TRACK N</th>
<th>Date</th>
<th>Time</th>
<th>Paper</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monday, Sep 30</td>
<td>08:00 – 09:15</td>
<td></td>
<td>Int’l Ballroom C</td>
</tr>
</tbody>
</table>

**Session Chair** Jeffrey Reuer, Purdue University

★ **Ambiguous Adaptation: The Effect of Formal Governance and Informal Adaptation on Premature Relationship Termination**

Marcus Møller Larsen, Copenhagen Business School
Jacob Lyngsøe, Copenhagen Business School

We investigate why some exchange relationships terminate prematurely. We argue that informal governance structures are detrimental to contingency adaptation in relationships already efficiently governed by formal contracts. The difference between the formalized contingent behavior of formal governance structures and the flexible adaptation of informal governance structure are essentially incompatible, which, subsequently, increases the likelihood of premature relationship termination. We test this hypothesis using a large sample of exchange relationships between clients and international service providers. Our results indicate that increased reliance on informal governance structures, given existing formal governance, increases the likelihood of a premature relationship termination.

Appropriation Concerns, Bargaining Power, and Smaller Firms’ Ability to Negotiate Favorable Alliances Contracts

Jason Pattit, University of St. Thomas
David Deeds, University of St. Thomas

Research indicates that smaller firms are not as powerless in alliance negotiations as they have been portrayed; specifically, firms with novel, valuable knowledge appear able to negotiate better contracts (Bosse and Alvarez, 2010). However, power is likely enhanced or eroded by firm specific characteristics such as liquidity and intellectual property position. Thus, while smaller firms may desire to include (or exclude) specific clauses in alliance contracts, these factors likely impact their ability to achieve this outcome. The goal of this study is to expand our understanding of when and how smaller firms exercise bargaining power at the time of alliance formation to obtain contracts that favorably protect against knowledge appropriation. We test our hypotheses on a novel sample of firms from the medical device industry.

Experience, Negotiation Leverage, and Their Effects on Exclusivity in Technology Licensing Agreements

Theodore Khoury, Portland State University
Jorge Walter, George Washington University
Erin Pleggenkuhle-Miles, University of Nebraska-Omaha

Technology licensing represents an elusive area of interfirm contracting due to the highly idiosyncratic nature of these transactions. Focusing on the most valuable, yet often contentious, contractual feature in licensing transactions—exclusivity—we examine the differential influence of licensors’ prior experience with out- versus in-licensing relationships. Our study builds on foundational transaction-cost research and develops a theoretical framework explaining whether or not licensors are likely to realize non-exclusive deal outcomes as a function of accumulated licensing experience, and when partner- or market-specific conditions moderate the effects of such experience. Leveraging a 26-year sample of 2,664 bioscience licensing transactions and a novel theoretical framework accounting for negotiation leverage within these transactions, we examine how the critical term of exclusivity varies in the market of technology licensing.

Integrating Calculative and Relational Approaches to Explaining Trustworthiness in Strategic Alliances

Oliver Schilke, UCLA
Karen Cook, Stanford University

Research on the sources of organizational trustworthiness remains bifurcated: some scholars have adopted a calculative perspective, stressing the supremacy of actors’ rational calculations, while others have approached trustworthiness from a relational perspective, focusing on its social underpinnings. We aim to reconcile these seemingly disparate positions by adopting an integrative approach that allows us to clarify the boundaries of both perspectives. Based on dyadic survey data from 158 strategic alliances, we find that the calculative perspective (represented by contractual safeguards) has higher predictive power when the partner lacks a favorable reputation, whereas the relational perspective (represented by organizational culture) predicts trustworthiness more strongly when familiarity with that partner organization is high.

**SESSION 210**

**A LITTLE HELP FROM MY FRIENDS: BOARD CAPITAL**

<table>
<thead>
<tr>
<th>TRACK O, TRACK J</th>
<th>Date</th>
<th>Time</th>
<th>Common Ground</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monday, Sep 30</td>
<td>08:00 – 09:15</td>
<td>Walnut Room</td>
<td></td>
</tr>
</tbody>
</table>

**Facilitator** Scott Johnson, Oklahoma State University

A Meta-Analysis of Board Interlocks and Financial Performance

Nai-Hua Wu, Texas A&M University
Laszlo Tihanyi, Texas A&M University
Michael Withers, Texas A&M University

Board interlocks and their impact on firm performance have been a central focus for governance researchers attempting to understand the organizational consequences of boards of directors. Research, however, is divided over whether these interfirm ties are positively or negatively associated with firm performance. We perform a meta-analysis of 56 empirical samples examining the board interlock-firm performance relationship based on a cumulative sample size of 142,558. Our results provide little evidence of a systematic estimate for the board interlock-financial performance relationship. We also examine whether this relationship may be moderated by the size and leadership structure of the board; however, we again find little systematic evidence for the board interlock-firm performance relationship. We conclude with a discussion of the implications of our results for future research.

Establishing the Link between Boards and Strategy: Theory and Evidence

Razvan Lungeanu, Pennsylvania State University
Edward Zajac, Northwestern University

In this study, we analyze the relationship between the accumulated strategic expertise of corporate directors and the strategies of the firms they govern. We develop a theory that emphasizes the situational activation of director expertise, and we explain this process by introducing the notion of a board strategy-genotype (posture) and board strategy-phenotype (context-dependent expression). Our perspective is theoretically distinctive in that we advance the notion of directors as resources in use, and empirically distinctive in that we focus on the board’s...
strategy expertise when the board is first formed in the public firm, and we develop new continuous indicators of business-level strategy. We test our hypotheses by examining the formation and evolution of boards and their firms since IPO (1997, 2001, and 2004) until 2011.

**Outside Directors and Firm Financial Performance: Insights from Board Capital Theory**

Orhun Gulden, Old Dominion University
Daanish Pestonjee, University of Arkansas

The literature on board of directors reports inconclusive results on the role of outside directors on firm financial performance. We argue that one potential reason for the mixed results is that existing studies, which are largely grounded in either agency or resource dependence theory, implicitly assume that all outside directors are equally effective in their monitoring and resource provision roles. By relying on the board capital theory and using data from a set of 143 randomly selected Fortune 500 firms, we find support for our hypotheses that firm financial performance is systematically higher when outside directors possess higher levels of firm- and industry-specific board capital. We contribute to the research on board of directors by underscoring the role of outside directors’ board capital.

**The Board of Directors’ Functional Background and Its Effect on Firms’ Corporate Social Performance**

Klavdia Ballard, University of Houston
Dusya Vera, University of Houston

Drawing upon resource dependence and stakeholder theory, we address this fundamental question: What characteristics of board members have an impact on the firm’s corporate social performance? We employ the director taxonomy developed by Hillman, Cannella, and Paetzold (2000), which allows us to step away from previous work that has traditionally differentiated board members by facets such as gender and insider or outsider status. We hypothesize that the presence of community influences on the board will increase the firm’s corporate social performance. Moreover, we argue that the presence of other directors—insiders, business experts, and support specialists—with interlocks, either with firms highly ranked in corporate social performance or with nonprofit, social, community, or educational organizations, will positively affect the firm’s corporate social performance.

**The Social Dimension of Sustainability: How Social Capital Influences Social Innovations and Their Social Impact**

Christiana Weber, Leibniz University Hanover
James Wallace, University of Bradford
Anja Tuschke, University of Munich

Social capital – as reflected in inter-organizational network relations – is a widely researched phenomenon for large, mostly publicly listed firms. With respect to social enterprises, however, little is known about the importance of social capital. We aim at closing this gap by empirically analyzing the influence of various dimensions of social capital on knowledge transfer, social innovation, and, subsequently, social impact. We theorize that social capital is positively related with social innovation while knowledge transfer acts as mediator. Further, we suggest that social innovations are positively related with the social impact of these firms. Based on a large sample of social enterprises, the results of our structural equation model provide broad support for these considerations.

**There’s No “I” in Corporate Governance: The Rise and Fall of Narcissistic Executives as Outside Directors**

Adelaide King, University of Virginia
Annette Ranft, University of Tennessee

Organizational scholarship about narcissism is a burgeoning area that reveals wide-ranging implications for both management practice and research. We extend this research by being the first to consider the impact that narcissists may have in a fundamental organizational context: boards of directors. We develop propositions about the tendencies of narcissistic executives to obtain board seats at other firms, to act in executing their responsibilities as outside board members, and to exit boards at critical times for an organization. Examining how narcissists respond when operating in a context where they are not the central player, but wield significant power nonetheless, adds important understanding to the impact of executive narcissism on organizational processes and outcomes and reveals that narcissism influences governance in substantive, unexplored, ways.

**SESSION 48**

**REVOLUTION: OWNERSHIP STRUCTURE AND ITS IMPLICATIONS**

**TRACK O**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Room</th>
<th>Paper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, Sep 30</td>
<td>08:00 – 09:15 h</td>
<td>Pecan Room</td>
<td></td>
</tr>
</tbody>
</table>

**Session Chair**
Christine Shropshire, University of Georgia

**Different Types of Owners and Unrelated Diversification: The Effect of Owners’ Institutional Origin**

Nikolaos Kavadis, Erasmus University - Rotterdam
Xavier Castaner, University of Lausanne

We argue that owners’ position regarding a given strategy depends not only on their type according to Brickley et al. (1988) but also on their institutional origin. Specifically, we claim that different owner categories have different preferences about unrelated diversification depending on the normative beliefs about such strategy in their domestic institutional environment. In a sample of 59 French publicly-traded corporations for 2000-2007, we find that domestic shareholders promote unrelated diversification; the effect of domestic shareholders is to a large extent driven by pressure-sensitive shareholders; and when disentangling the Anglo-American shareholder category into pressure-resistant and pressure-sensitive shareholders, Anglo-American pressure-sensitive shareholders promote unrelated diversification, but Anglo-American institutional investors that are supposed to be pressure-resistant do not have a significant influence on unrelated diversification.

**Does Ownership Structure Moderate Top Management Behavior in Determining Success of Change? A Knowledge Based Perspective**

Mona Bahl, Youngstown State University
Aldas Kriauciunas, Purdue University
Thomas Brush, Purdue University

This study argues that the ownership form moderates the positive relationship between by top managers’ knowledge sharing behavior and success of change. The firms are classified into three types namely, state owned firms, privatized firms and privately founded firms. The fundamental premise is that the managerial incentives offered by each of the three forms of ownership will likely influence success of change. It is hypothesized that the relative strength of the relationship between knowledge transfer by top managers and success of change will vary for state owned firms, privatized firms and privately founded firms. A unique database from four transition economy countries is used to test the hypotheses. The initial results support most of the hypotheses.
Interrupting a Governance Dilemma: Shareholder Voting and its Effects on Monitoring and Compensation
Christine Shropshire, University of Georgia
Jonathan Bundy, University of Georgia
Ann Buchholtz, Rutgers University
The primary research question in this proposal asks: “Does having more ‘active’ shareholders affect internal corporate governance?” More specifically, we seek to understand substantive effects of shareholders voting to withhold their support of corporate directors on the proxy ballot. The reinforcing cycle of intensifying board monitoring and ever-increasing CEO pay has created a governance dilemma in publicly-traded corporations (Hoskisson, Castleton & Wuthiers, 2009). We suggest that shareholder voting offers an intervention to interrupt and potentially reverse these trends. Our findings reveal meaningful outcomes aligned with shareholder activism, including board turnover and executive and director compensation.

Knowledge, Ownership Structure Change at IPO and Firm Performance
Yue Song, Virginia Tech
Marc Junkunc, Virginia Tech
This paper focuses on how the change of ownership structure at the time of initial public offering (IPO) will raise governance problems and affect the firm’s long-term performance and sustainability after IPO. More specifically, we argue that for high tech firms, founders or venture capitalists (VCs) selling equity at IPO will weaken the firms’ performance afterwards due to incentive mechanisms, information asymmetry and agency cost. The more technical specialized knowledge employed at the firm, the worse the impact of founders and VCs selling. The results of this paper will extend knowledge in the IPO, governance and innovation management literatures. This paper will also have implications for entrepreneurs and shareholders in managing their ownership structure and public investors in making their investment decisions.

SESSION 177
POLITICS AND MONITORING

TMT Political Networking, Functional Experience and Firm R&D Investment: The Moderating Role of TMT Attention
Jianzu Wu, Lanzhou University
Ying Zhao, Lanzhou University
Drawing upon the resource-based view and attention-based view of the firm, this study aims to analyze how top management team (TMT) political networking and functional experience affect firm R&D investment in a transition economy and examine the moderating role of TMT attention. The study suggests that the focus of TMT attention or the process of noticing and constructing external environment could influence firm behavior and can be reflected on firm strategy. Based on a sample of listed companies from technology-intense industries in China, the study uses multiple regression models to examine how different focus of attention affects firm behavior, i.e., how TMT use their valuable resources, such as political networking and functional experience, to choose firm R&D investment strategy.

Collaboration of Opportunistic Stakeholders: Stakeholder Agency and the Behavioral Agency Model
Geoffrey Martin, University of Melbourne
Luis Gomez-Mejia, Arizona State University
Robert Wiseman, Michigan State University
We use the behavioral agency model (BAM) to advance the stakeholder approach to corporate governance using the empirical context of earnings management. Agency research is yet to explore collaborative opportunistic behavior of CEOs and other firm stakeholders. We extend the BAM and the concept of mixed gambles to examining opportunistic behavior of CEOs; and other stakeholders with influence over firm decision making. Our findings demonstrate that stakeholders with influence are more likely to allow CEO earnings management when they are more vulnerable to loss; earnings management has as an instrument for opportunistic risk management of multiple stakeholders. We underline the importance of considering the agency problem more broadly than one deriving from shareholder-CEO or shareholder-shareholder conflict.

Objective Monitors? Meta-Analytic Evidence of Risk-Bearing as a Moderator of Shareholder and Director Influences
Michael Mannor, University of Notre Dame
Jennifer Nahrgang, Arizona State University
Mathias Arrfelt, Arizona State University
Amanda Christensen, Brigham Young University
The assumption that organizational monitors (e.g. boards of directors and influential shareholders) are impartial judges that oversee organizational decisions is a key tenet of agency theory that has been widely challenged through the years. However, despite a wide set of work, little evidence has been found to support a consistent influence on firm choices. We integrate ideas from the Behavioral Agency Model to investigate the influence of risk-bearing on organizational monitors. Meta-analytic results (N = 43,645; overall k = 45) demonstrate support for our hypotheses, showing that when monitors have few ties to a firm and bear little risk, they favor increasing levels of diversification, but when monitors have stronger ties and bear greater risk through equity or employment, they are more risk-averse and prefer decreasing diversification.

CEO and Firm Political Affiliation
Michael Nalick, Texas A&M University
Scott Kuban, Texas A&M University
This study examines the influence of CEO’s personal political dispositions on a firm’s political strategies. Contrary to previous studies, a longitudinal investigation of Fortune 200 CEO and firm campaign contributions found that the CEO’s political leanings impact the firm’s political contributions. That is, a CEO’s ratio of financial support for Democrats and Republicans was reflected in the firm’s ratio of financial support of each party. The results were robust by also accounting for industry lobbying and campaign spending levels as well as industry political party norms. This indicates that managerial discretion as described in the upper echelon theory literature can extend to non-market strategies.
How Do Organizations Respond to Global Pressures?
The Case of International Environmental Agreements
Eun-Hee Kim, George Washington University

In evaluating the potential role of international environmental agreements in inducing changes in firm behavior, the prior literature tends to emphasize the importance of enforcement and net economic benefits associated with compliance. This paper suggests that the presence of public polices in support of an international environmental agreement—even without strong enforcement—may itself signal changes in the policy landscape and induce changes in firm behavior. Also, firm responses to international environmental agreements are not uniform. In particular, firms with high pollution intensity are more responsive than firms with low pollution intensity. In addition, the prevalence of voluntary environmental programs is associated with lower environmental performance and good environmental governance and practice at the country level is associated with higher environmental performance.

Competitiveness of Commodity Producers in Developing Countries
Matthias Olthaar, University of Groningen
Wilfred Dolfsma, University of Groningen
Clemens Lutz, University of Groningen

Commodity producers in developing countries are responsible for the production and extraction of many of the raw materials used in products designed and manufactured by firms from industrialized countries. Ethical and sustainability considerations have led organizations to initiate top-down programs to support these commodity producers. We like to add to this discussion by studying the situation of commodity producers from a bottom-up perspective. More specifically we study the resources and capabilities African farmers have at their disposal to improve their competitiveness and consequently their income. We study to what extent resources and capabilities of commodity producers in developing countries can explain performance differences between commodity producers and we propose some novelties in empirical RBV research.

Exploring the Complexity of Private Sustainability Standards: An Emerging Economies Perspective
Ivan Montiel, Loyola Marymount University
Petra Christmann, Rutgers University

While firms usually face only pressures to comply with public regulations, recently various non-governmental bodies such as NGOs and firms have established private regulatory standards for acceptable conduct. Emerging economy firms are pressured by customers from developed countries to adopt several of these private sustainability standards. As a result, these firms face not only public, but also private regulatory pressures. For emerging economy firms selling to developed country customers, complexity introduced by private regulation is more important than complexity related to public regulations. We present a framework that classifies types of regulatory complexity faced by emerging economy firms selling abroad and identify the causes underlying each type of complexity. We use both survey and interview data from export-oriented agricultural Mexican firms to validate our framework.

Foreign Direct Investment and Environmental Quality: System Approach for Exploring MNCs’ Short-Term and Long-Term Strategies
Pard Teekasap, Rajamangala University of Technology
Dinorah Frutos-Bence, Southern New Hampshire University

This paper proposes a conceptual deterministic model to illustrate the effect of foreign direct investment on environmental quality of host countries. Using a system approach we focus on the relationship between the firm, society, and the government of the host country. The model allows us to simulate short-term and long-term scenarios as environmental quality variables are modified. Thus, the model is useful to gain insight into the short-term/long-term environmental strategies multinational corporations (MNCs) should pursue in order to maximize profits. Preliminary simulation scenarios indicate that avoiding environmental compliance can maximize profits in the short-term, but this strategy is not sustainable. In a long run, firms need to implement environmental strategy in order to minimize cost.
SESSION 110

CSR AND PHILANTHROPY

<table>
<thead>
<tr>
<th>TRACK C</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Time</td>
<td>09:45 – 11:00 h</td>
</tr>
<tr>
<td>Session Chair</td>
<td>Vanessa Burbano, University of California-Los Angeles</td>
<td></td>
</tr>
</tbody>
</table>

★ Can Firms Pay Less By Doing Good? The Effect of Corporate Philanthropy on Employee Salary Requirements

Vanessa Burbano, University of California-Los Angeles

Using a field experiment on Amazon Mechanical Turk (MTurk) to explore the effect of corporate philanthropy on employee salary requirements, this work contributes to the discussion of whether and how the firm can benefit from corporate social responsibility. Acting as a firm, we hired workers to complete a job on MTurk. To manipulate corporate philanthropy, workers were randomly assigned to conditions that varied in the degree of the employing firm's corporate philanthropy emphasized. Preliminary results show that receiving a message about the employing firm's corporate philanthropy program caused workers to be willing to forego 15% of the average acceptable wage; and that the highest performers were willing to forgo 44% of the average acceptable wage.

Janus-Faced Do-Gooders? The Influence of Corporate Elites on Philanthropic and CSR Priorities

Razvan Lungeanu, Pennsylvania State University
Klaus Weber, Northwestern University

We investigate how members of the business elite influence the allocation of limited resources to alternative causes related to the social good, such as community or environmental programs. Specifically, we ask whether individuals display consistent preferences for particular causes, or whether they seek to balance allocations over a broader set of causes. To answer this question, we examine cases in which the same individual influences the allocations made by two types of organizations: corporations (CSR efforts); and philanthropic foundations (grants). Our theoretical model contrasts upper echelon prediction of consistency with psychology's moral compensation prediction of misalignment. We find evidence for both processes, but for different domains of social causes. The effects are moderated by the power executives hold in foundations.

The Drivers of Corporate Philanthropic Catastrophe Response: The Community-Event-Firm Triad

Luis Ballesteros, University of Pennsylvania

We investigate the factors explaining the variance of firms helping communities in the aftermath of natural catastrophes with a theoretical model comprising firm-, community-, and event-specific factors. In this model, corporate decision makers follow a mix of social preferences and strategic considerations. We use unique data of corporate donations to the relief fund of natural catastrophes that affected different countries in the period of 2002-2012 and a panel of 2011 multinational enterprises from 61 countries. Our preliminary results show that firm's visibility and economic connection with the affected community, and the relative development of the community exert a nontrivial influence in the magnitude and frequency of corporate donation. Additionally, we find that the salience of the event is significantly more influential in the corporate decision than the associated human loss.

SESSION 87

COMPETITION IN THE CREATIVE INDUSTRIES

<table>
<thead>
<tr>
<th>TRACK E</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Time</td>
<td>09:45 – 11:00 h</td>
</tr>
<tr>
<td>Session Chair</td>
<td>Richard Arend, University of Missouri</td>
<td></td>
</tr>
</tbody>
</table>

Innovating in All the Wrong Places: The Effects of Indirect and Complementary Capabilities in Maintaining Dynamic Capabilities

Alva Taylor, Dartmouth College
Christian Studler, Warwick Business School

The importance of dynamic capabilities, conducting a practice under changing conditions, has been well established over the past decade. Much of the discussions have been on the effective application of those capabilities. What has garnered less attention is the puzzle of how firms can apply the capabilities when the need for them is sporadic and unpredictable. Continuous undertaking of these activities, even in those periods when they are not needed, can be resource and cost prohibitive for many organizations. Using data from video game developers, we illustrate that firms have alternatives for dynamic capabilities maintenance through two other mechanisms – undertaking indirect capabilities and complementary capabilities.

The Demography of Non-Technological Products

Alicia Barroso, Universidad Carlos III de Madrid
Marco Giarratana, Bocconi University
Samira Dias dos Reis, Universidad Carlos III de Madrid
Olav Sorensen, Yale University

We examined the drivers of product demography in a setting where innovation does not depend on technological advances. Using complete data on the population of television series introduced in the United States from 1946 to 2003, we estimated the effects of product age, across- and within-firm competition, and product theme saturation on the longevity of these series. Competing against similar series increased the probability of a series being cancelled, as did competing against series with different conceptual themes. Television series also appeared to experience saturation and saturation effects: Both series age and prior cumulative entries in the same conceptual theme-even offerings no longer being produced-reduced survival rates.

The Non-Technological Explanation of Technology Dominance: The Social Dynamics and Demand-Side Factors

Nina Tervonen, Lappeenranta University of Technology
Kati Järvi, Lappeenranta University of Technology

Literature suggests that when technologies compete, ultimately one technology will gain dominance and emerge as a dominant design in comparison to the others. Technology management research has mainly explained this from a deterministic viewpoint of technology evolution. However, a multitude of non-technological factors, such as the social dynamics and demand-side factors seem to have explanatory power in some instances where the superior performance attributes of a technology do not seem to explain what technology wins. By focusing on the movie exhibition industry and competition between online and offline technology, this proposal focuses on the non-technological factors of technology evolution and incorporates insights from institutional theory and social movement theory in order to enhance the understanding of the socio-political factors affecting technology dominance.
Secondary Markets

Robert Seams, New York University
Victor Bennett, University of Southern California
Feng Zhu, University of Southern California

We examine how reduction of search frictions in secondary markets affects the ability of incumbents in primary markets to appropriate value. We argue that the net effect depends on the relative strength of the "added value" and "cannibalization" effects. We argue that the "added value" effect will dominate when the primary and secondary markets are separated. We study our predictions in the context of US concert ticket prices. We show that following the entry of Craigslist, an intermediary facilitating concert ticket transactions, shows by artists with low popularity exhibit a significant decrease in prices, while shows by artists with high popularity exhibit a significant increase in prices. In addition, we find that some promoters actively limit venue capacity in periods following Craigslist's entry.

SESSION 91

COMPETITION AS A DYNAMIC PROCESS: EXPLORING THE TEMPORAL FACET OF RIVALRY

TRACK E

Panel Co-Chairs
Ming-Jer Chen, University of Virginia
Marvin Lieberman, University of California-Los Angeles
Tieying Yu, Boston College

Panelists
Jianhong Chen, Drexel University
Javier Gimeno, INSEAD
Sucheta Nadkarni, Drexel University
Gonçalo Pacheco de Almeida, HEC Paris
Yu Zhang, University of California-Irvine

The purpose of this panel is to disentangle the role of time in the duration and outcome of inter-firm rivalry. The panel brings together three different and complementary perspectives for bringing time into competition research: the longitudinal analysis of the duration of cycles of competitive stability and instability in markets (inspired by research about price wars, cartel instability and market share instability), the analysis of leader-follower rivalry and how investment escalation by firms allows the compression of catch up time (inspired by research on resource accumulation dynamics and time-compression diseconomies), and the analysis of temporal perceptions of managers in determining competitive actions (inspired by research on the role of management teams on competitive behavior).

SESSION 74

ACQUISITION EXPERIENCE, INNOVATION, AND PERFORMANCE

TRACK F

Paper
Date Monday, Sep 30
Time 09:45 – 11:00 h
Room Redwood Room

Session Chair Tomi Laamanen, University of St. Gallen

Accelerating Innovation through Acquisition: An Evaluation of Patent and Product Portfolios

Douglas Miller, University of Illinois-Urbana Champaign
Anju Seth, Virginia Tech
Sai Lan, Peking University

This paper investigates the nature of merger and acquisition activity in high-technology industries over a 14-year window. We test hypotheses about the effect of acquisitions on innovation. Evidence shows that ex ante overlap in both patent and product portfolios for the merging firms affect innovation outcomes after acquisitions, including patent counts, new product introductions, and an increase in the rate of patenting. Further, technological and market resources have a positive multiplicative effect on innovation acceleration. This study confirms and clarifies previous findings on how high-tech firms create value through acquisitions, and how acquisitions impact innovation across several industries.

Craving for the Big Deal? Escalation, De-Escalation, and Momentum As Antecedents of Large Acquisitions

Yuval Deutsch, York University
Thomas Keil, University of Zurich
Tomi Laamanen, University of St. Gallen
Markku Maula, Aalto University

One central explanation of acquisition behavior has been the repetitive momentum argument of strategic momentum theory, which predicts that prior acquisitions create a strategic momentum effect that makes additional acquisitions of the same kind more likely. In this paper, we challenge this explanation and develop a more fine-grained theoretical account that explains large acquisitions as the combined effect of escalation behavior caused by prior small acquisitions, momentum effects caused by a firm's own prior large acquisitions, and de-escalation caused by resource exhaustion due to prior large acquisitions. We employ novel empirical methods to show that prior results in favor of the momentum theory may have been, at least partially, methodological artifacts masking the underlying more complex theoretical and empirical pattern.

Slacking Off? The Moderating Effect of Organizational Slack on Learning from Failed Acquisition Bids

Ram Ranganathan, University of Texas-Austin
Anindya Ghosh, IESE Business School
Harbir Singh, University of Pennsylvania

We focus on the experience that firms gain when acquisition bids get abandoned, and how such experience affects future acquisition activity and outcomes. In a sample of 109 software firms, we find that although experiencing abandoned acquisitions decreases acquisition activity, it also decreases the future proportion of abandoned deals. This effect is contingent on firms' prior experiences in completing acquisitions and their levels of slack resources. Whereas slack magnifies learning for firms with greater completed deal experience, it dampens it for firms with lesser completed deal experience. We contribute to the strategy literature by stressing on learning within the pre-acquisition process and by highlighting abandonment, an understudied outcome. We contribute to organizational learning by identifying conditions under which slack resources may accelerate or hinder learning.
With Experience Comes Wisdom? Difficulties in Learning from and Using Advisor Acquisition Experience

Jeray Halebian, University of Georgia
Adam Steinbach, Michigan State University
Gerry McNamara, Michigan State University

Do acquirers benefit from the acquisition experience of their investment banks? Investment banks are thought to offer expert advice to acquirers. Accordingly, more experienced investment banks should offer better advice to their clients. We test this assertion on a sample of acquisitions from 1991-2010, but find that acquiring firms often do worse when retaining experienced investment banks. Moreover, this effect is more pronounced when acquirers hold high levels of free cash or make stock deals. These findings suggest that investment banks don't improve their advice with experience, and that acquirers need to be diligent in processing and integrating advisor experience—or find that the market responds even more negatively to their acquisitions.

SESSION 183
MANAGING THE HEADQUARTER-SUBSIDIARY RELATIONSHIP

Are Venture Capital Firms Multinational Enterprises: Factors that Stimulate Firms’ Expansion Across the Globe

Hisanori Fujiwara, Daiichi Sankyo Co., Ltd.

Over the past decade, the venture capital (VC) market expanded globally. I explore what factors stimulate VC investment across globe for a sample of 842 VC firms in 33 countries. I find that geographic distance significantly deters VC firms from opening cross-border satellite offices but surprisingly, cultural distance is not significant. I also show that foreign office opening is affected differently by different types of firm’s investment behavior. In particular, the probability of foreign entry increase if a VC firm is a “generalist” of her industry preference. On the other hand, preference of late stage investment does not affect the likelihood of entry, suggesting that internationalized VC firms favor not only cherry-picking later stage deals but also elaborate early stage deals.

Embroidedness for Global Innovation: An Investigation of Differentiated Ties at Overseas R&D Subsidiaries

Björn Ambos, University of St. Gallen
Tina Claudia Ambos, University of Sussex

This paper aims to shed light on the question how embeddedness impacts the potential of international R&D subsidiaries to create innovations for the global – rather than the local – market. We examine the kinds (business vs. research) and the locus (local vs. global) of external ties that international R&D subsidiaries maintain and test their relationship with the unit’s global innovation potential drawing on a sample of 99 overseas R&D subsidiaries belonging to Japanese multinational corporations. Our results reveal that certain ties enable overseas R&D subsidiaries to pursue innovation for global markets more than others: Collaborating with overseas business organizations is positively related to subsidiary innovation for global markets; whereas ties with local business organizations turns out to be negatively associated with subsidiary innovation for global markets.

Headquarters’ Orchestration of Subsidiaries’ Contribution to MNC Performance

Henrik Dellestrand, Uppsala University
Ulf Andersson, Copenhagen Business School
Torben Pedersen, Copenhagen Business School

This paper analyzes how headquarters of multinational corporations can orchestrate its network of subsidiaries in order to create and extract value, and thus increase the performance of the organization. Granting subsidiaries autonomy, and giving them attention is found to positively influence the scope of subsidiary activities as well as the level of subsidiary competencies. This corresponds to how headquarters, as a hub-type of firm, can orchestrate for subsidiary evolution and create value within the multinational corporation. Our results indicate that if subsidiaries evolve, this has positive effects on overall MNC performance. The results, based on a sample of 2107 European subsidiaries, elucidate the role and function of headquarters as an important orchestrater of the organization for subsidiary evolution and value creation.

Institutional Factors, European Regional Integration and M&A

Caterina Moschieri, IE Business School
Roberto Ragozzino, ESADE Business School
Jose Campa, IESE Business School

This paper raises the question of whether the process of regional integration experienced by the European Union has affected the growth strategies of firms pursuing cross-border mergers and acquisitions. More precisely, we examine whether the effects of known country-level barriers to cross-border M&A, i.e. the target’s country political risk and the acquirer’s country uncertainty avoidance, have weakened as the EU has developed, thereby creating a propensity by firms to invest more in the market for international M&A. Overall, the results show support for this idea, revealing that cultural and political barriers to cross-border M&A significantly explain the governance decision implemented by international buyers earlier in the life of the EU, whereas they do not after the union has taken decisive steps towards integration. A number of implications of these findings are discussed.

Managing Dual Pressures of Integration and Adaptation: The Danger of Getting ‘Stuck in the Middle’

Birgitte Grogaard, University of Calgary
Inger Stensaker, Norwegian School of Economics

In this study we examine how multinational enterprises (MNEs) manage dual pressures of global integration and local adaptation. The managerial complexities are rooted in the potentially conflicting types of resources, capabilities and structural mechanism that MNEs typically rely on to achieve global integration or local adaptation. Through a longitudinal study of an MNE, we find that initial attempts at addressing both pressures left the MNE ‘stuck in the middle’. The MNE was unable to enforce stringent coordination and control in fear that such activities could stifle local entrepreneurial activities and hinder sufficient local embeddedness. A fine-grained approach was eventually initiated that enabled the MNE to rigorously enforce standardization and centralization of specifically targeted areas without compromising its simultaneous emphasis on local adaptation.

The Hidden Costs Of Going Global: Insights From Firms’ Entry Into Foreign Markets

Alessandra Perri, Ca’ Foscari University of Venice
Francesca Checchinato, Ca’ Foscari University
Cinzia Colapinto, Ca’ Foscari University of Venice

Recent literature on strategic decision-making highlights the role of hidden costs, i.e. costs that firms are not able to predict ex-ante (Larsen et al., 2012). This paper analyses the hidden costs of going global, i.e. unanticipated costs that emerge in the implementation of market entry
strategies. Foreign market entry requires firms to assess the potential attractiveness of different locations, select an appropriate entry mode, and organize their international value chain. When taking such decisions, firms can make evaluation mistakes. We propose that cultural distance is one factor that generates "blind spots" in a firm's strategic analysis, thus affecting its ability to evaluate the actual challenges of entering foreign markets. Firms can offset distance-driven hidden costs by building international experience and relational capability.

SESSION 117
STRATEGIC ADAPTATION

Adaptive Strategies: An Empirical Study into Reactive Corporate Political Activity
Maria Andrea De Villa, EAFIT University
Tazeeb Rajwani, Cranfield University

Corporate political activity research has focused on the study of strategies that allow firms to influence government affairs. This study examines a set of strategies that aim to allow firms to adapt rather influence their political environments. To address this research, interviews, documents, and archival data were analyzed to understand what strategies a firm used to adapt to three different political contexts. The findings show that firms can use adaptive strategies rather than political strategies to sustain their operations in political contexts. These findings suggest firms should incorporate adaptive strategies into their strategic repertoire to address political environments.

An Evolutionary Perspective on Corporate Ethical Behavior: Ethics Follows Strategy
Hee-Chan Song, KAIST
Tae-Hyun Kim, KAIST

Building on an evolutionary perspective, we argue that corporate ethical principles and behaviors should be changed to enhance a strategic fitness to the dynamic nature of business environment, and thus, to contribute to organizational survival and growth. We suggest that a corporate ethical behavior can be explained as a strategic behavior that reflects environmental changes rather than a normative notion. Changing business environment requires that a corporation evolves its ethical principle and behavior because organizational goals and competitive strategies also change as a result of adaptation. In addition, external pressure on corporate ethical behavior increases, as stakeholders' expectations, needs, and regularities grow more diversified and sophisticated. Hence, a corporation endeavors to understand new ethical issues arising from changing environment and adopt strategically appropriate ethical principle.

战略性管理的可持续性：争取合法性
Monika Lesner, Leuphana University of Luebeck
Jan-Florian Schlafnfer, Leuphana University of Luebeck
Markus Reihlen, Leuphana University of Luebeck

Based on an in-depth, longitudinal case study of the strategic management of sustainability within a major diversified firm, we develop a grounded model of legitimacy enhancement for sustainability initiatives, identifying four key legitimacy enhancing practices – symbolic actions, linking, standard setting, and substantiation – which interact with the internal and external organizational context. We describe the complex and interdependent interplay between external and internal sources of legitimacy for sustainability and show how these sources feed in the strategy formation process – therewith arguing for a co-evolution between the internal and external organizational field and contributing towards an institutional theory of strategy formation.

The Best Defense is a Good Offense: Responding to an Innovative Strategy in the National Football League
Daniel Gamache, Michigan State University
Jamal Shamsie, Michigan State University

This paper extends competitive dynamics research by moving beyond single moves to explore how firms respond to the introduction of a whole new strategy. The development of an innovative strategy is associated with the creation of a new set of routines, to which rivals must respond with counter strategies that require adjustment to their own routines. We argue that firms may either develop defensive or offensive routines, but that it is not possible to develop an effective counter strategy by focusing exclusively on defense without an emphasis on offense. We plan on testing our hypotheses by studying the response of National Football League teams to the introduction of a new and innovative strategy, the West Coast Offense, by the San Francisco 49ers.

SESSION 130
ANTECEDENTS AND OUTCOMES OF EXPLORATION-EXPLOITATION

Ambidextrous Firms: Managing the Interface of Individual and Organizational Identities in the Quest for Performance
Nicole Rosenkranz, ETH Zurich

Ambidexterity research asserts that firms simultaneously engaging in both exploitation and exploration achieve above average firm performance. Yet, empirical findings remain ambiguous. We claim that a possible explanation for these mixed findings is due to interaction effects of individual and organizational level factors, which yet have to be considered though a multi-level model. Based on identity theory, we develop a model that depicts how an individual's management of multiple role identities (role integration and separation) interacts with organizational identity structures and its effect on firm performance. In matching individual inclinations for role management and organizational identity structures, we claim that contextual or structural ambidexterity is not freely applicable for any types of organizations, inferring inconsistent performance effects.

Entrepreneurial Ventures, Signaling Based on Knowledge Partnerships, and Acquisition Likelihood
Devkamal Dutta, University of New Hampshire
Manpreet Hora, Georgia Institute of Technology

In this study, we investigate the contingent impact of an entrepreneurial R&D venture’s signaling efforts through its exploratory and exploitative knowledge partnerships on its likelihood of acquisition. Using a sample of 603 entrepreneurial R&D firms in the biotech industry, we find that exploratory and exploitative knowledge partnerships together improve the venture’s acquisition likelihood prospects. In effect, our study contributes to the literature on organizational ambidexterity by suggesting that in the specific context of knowledge partnerships in alliances, exploratory and exploitative knowledge seem to operate as orthogonal forces and it is possible to derive simultaneous benefits from both.
Learning Sequences of Startups in an Emerging Technology Context
Fiona Xiaoying Ji, Ohio University
William Lamb, Ohio University
Startups that grow rapidly expand their knowledge scope and enhance an industry’s knowledge creation process. The knowledge creation pattern followed by startups, and the performance impact of this pattern, however, is still unclear. Do startups tend to simultaneously explore and exploit, or do they tend to alternate between exploration and exploitation at different times? The objective of this study is to test whether new ventures in an emerging technology context tend to choose a learning sequence or an ambidextrous process of exploitation and exploration of new knowledge. We also have the opportunity to test whether a particular knowledge creation pattern enhances innovation performance.

On Intellectual Capital and Organizational Ambidexterity Theory: How to Create Value for Sustainable Competitive Advantage
Carsten Gelhard, University of Munich
Sebastian Kortmann, University of Amsterdam
We interlink intellectual capital and organizational ambidexterity theory to explain how sustainable competitive advantage is related to the creation of valuable knowledge. This process is separated into the integration, learning, and application of valuable knowledge and, thus, distinguishes sources of competitive advantage from competitive advantage itself and the resulting performance. Using two data sets of top executives in the United States (N = 114) and India (N = 138), we show that various integration mechanisms connect dispersed knowledge sources and enable knowledge sharing amid biddexterity, which, subsequently, nurtures the simultaneous development of exploratory and exploitative innovations.

SESSION 138
NETWORKS AND ORGANIZATIONAL LEARNING

A Social Capital Perspective on Exploitation and Exploration
Achim Schmitt, EHL
Emmanuel Josserand, University of Paris-Dauphine
This paper applies a social capital perspective to study how business units use an individual’s social capital to explore their environment and exploit resources available from individual networks. We explore this matter inductively by analysing the development and exploitation of social capital at the business unit level in a leading global construction company, collecting data through 33 in-depth interviews. Our findings show how individual’s distinct types of social network connections can provide business units with possibilities for exploitation and exploration activities. We also note the importance of a supportive organisational context that allows firms to reap the benefits of their employees’ social capital. Consequently, the study deepens our understanding of exploration and exploitation at both the individual and business unit levels.

Configuring Networks for Exploration and Exploitation Purposes: A Multiple Case Study of Dutch Biotech SMEs
Suzana Rodrigues, Erasmus University-Rotterdam
Martijn van Halem, Erasmus University-Rotterdam
Tji Min Lee, Erasmus University-Rotterdam
This paper draws upon research into how small- and medium-sized enterprises (SMEs) in the biotech sector realize their strategic scope and intent through networking. It investigates the business models, unique resources and capabilities of firms and how these relate to their network ties. Based on a qualitative study of nineteen Dutch biotech firms it concludes that these ties are highly aligned with a firm’s strategic focus. A major contribution of this paper is to show that firms whose focus is on exploration have a distinct pattern of ties in comparison with those whose business model is dedicated to knowledge exploitation, while those that are ambidextrous reveal a network structure that can compensate for any resource deficiencies in both exploration and exploitation capabilities.

Organizational Learning in Evolving Networks
Christina Fang, New York University
Building on the classic model of March (1991), we study how alternative network evolution logics (link, distance, random, performance) impact organizational learning and performance. We find that networks formed based on distance (i.e. homophily) consistently outperform those formed by links (i.e. rich-get's-richer). Furthermore, the more attention an organization pays to ‘performance benchmarking’, the poorer its overall performance. Lastly, the continual introduction of new members has very little positive impact on overall performance across all logics.

With Whom do Technology Sponsors Partner? The Role of Alliance Networks in Technology Standard Battles
Susan Cohen, University of Pittsburgh
Tsuhsiang Hsu, University of Niagara
Competition between alternative technologies seeking to become the de facto standard for a market often hinges on which firm builds the largest install base first, and thereby tips the benefits that adopters anticipate in their favor. Social networks can overcome the influence of install base, however suggesting that technology sponsors should attend to the network position of the organizations they can enlist to foster diffusion. We examined whether 2G wireless technology sponsors selected alliance partners whose position within the adopter network is most likely to have accelerated the diffusion of their technology. In line with our predictions, we found that Qualcomm, the upstart sponsor with the revolutionary technology, pursued a wide-bridge strategy while Ericsson’s alliance choices conformed to a peer-to-peer diffusion strategy.

SESSION 148
BUSINESS MODELS AND INNOVATION

Beyond Product-Process Innovation: The Case of Service Innovation
Phillip Anderson, University of Illinois-Urbana Champaign
The question of how a firm’s technological innovation position relates to service innovation has been relatively understudied. While the research literature finds strong support for technological innovation with respect to product and process, the question of an additional innovation search has received little attention. I seek to advance this area of research by examining factors that influence the technologically innovative product manufacturing firm to innovate in new services. Using data on entry into professional services, preliminary results suggest that platform innovators are more likely to innovate in services than device innovators. Also, as manufacturing firms diversify into non-manufacturing technologies, they appear more likely to innovate in services. The implications suggest that a multiproduct-service innovation cycle is a useful complement to the classic product-process innovation model.

Learning Sequences of Startups in an Emerging Technology Context
Fiona Xiaoying Ji, Ohio University
William Lamb, Ohio University
Startups that grow rapidly expand their knowledge scope and enhance an industry’s knowledge creation process. The knowledge creation pattern followed by startups, and the performance impact of this pattern, however, is still unclear. Do startups tend to simultaneously explore and exploit, or do they tend to alternate between exploration and exploitation at different times? The objective of this study is to test whether new ventures in an emerging technology context tend to choose a learning sequence or an ambidextrous process of exploitation and exploration of new knowledge. We also have the opportunity to test whether a particular knowledge creation pattern enhances innovation performance.

On Intellectual Capital and Organizational Ambidexterity Theory: How to Create Value for Sustainable Competitive Advantage
Carsten Gelhard, University of Munich
Sebastian Kortmann, University of Amsterdam
We interlink intellectual capital and organizational ambidexterity theory to explain how sustainable competitive advantage is related to the creation of valuable knowledge. This process is separated into the integration, learning, and application of valuable knowledge and, thus, distinguishes sources of competitive advantage from competitive advantage itself and the resulting performance. Using two data sets of top executives in the United States (N = 114) and India (N = 138), we show that various integration mechanisms connect dispersed knowledge sources and enable knowledge sharing amid biddexterity, which, subsequently, nurtures the simultaneous development of exploratory and exploitative innovations.

SESSION 138
NETWORKS AND ORGANIZATIONAL LEARNING

A Social Capital Perspective on Exploitation and Exploration
Achim Schmitt, EHL
Emmanuel Josserand, University of Paris-Dauphine
This paper applies a social capital perspective to study how business units use an individual’s social capital to explore their environment and exploit resources available from individual networks. We explore this matter inductively by analysing the development and exploitation of social capital at the business unit level in a leading global construction company, collecting data through 33 in-depth interviews. Our findings show how individual’s distinct types of social network connections can provide business units with possibilities for exploitation and exploration activities. We also note the importance of a supportive organisational context that allows firms to reap the benefits of their employees’ social capital. Consequently, the study deepens our understanding of exploration and exploitation at both the individual and business unit levels.

Configuring Networks for Exploration and Exploitation Purposes: A Multiple Case Study of Dutch Biotech SMEs
Suzana Rodrigues, Erasmus University-Rotterdam
Martijn van Halem, Erasmus University-Rotterdam
Tji Min Lee, Erasmus University-Rotterdam
This paper draws upon research into how small- and medium-sized enterprises (SMEs) in the biotech sector realize their strategic scope and intent through networking. It investigates the business models, unique resources and capabilities of firms and how these relate to their network ties. Based on a qualitative study of nineteen Dutch biotech firms it concludes that these ties are highly aligned with a firm’s strategic focus. A major contribution of this paper is to show that firms whose focus is on exploration have a distinct pattern of ties in comparison with those whose business model is dedicated to knowledge exploitation, while those that are ambidextrous reveal a network structure that can compensate for any resource deficiencies in both exploration and exploitation capabilities.

Organizational Learning in Evolving Networks
Christina Fang, New York University
Building on the classic model of March (1991), we study how alternative network evolution logics (link, distance, random, performance) impact organizational learning and performance. We find that networks formed based on distance (i.e. homophily) consistently outperform those formed by links (i.e. rich-get's-richer). Furthermore, the more attention an organization pays to ‘performance benchmarking’, the poorer its overall performance. Lastly, the continual introduction of new members has very little positive impact on overall performance across all logics.

With Whom do Technology Sponsors Partner? The Role of Alliance Networks in Technology Standard Battles
Susan Cohen, University of Pittsburgh
Tsuhsiang Hsu, University of Niagara
Competition between alternative technologies seeking to become the de facto standard for a market often hinges on which firm builds the largest install base first, and thereby tips the benefits that adopters anticipate in their favor. Social networks can overcome the influence of install base, however suggesting that technology sponsors should attend to the network position of the organizations they can enlist to foster diffusion. We examined whether 2G wireless technology sponsors selected alliance partners whose position within the adopter network is most likely to have accelerated the diffusion of their technology. In line with our predictions, we found that Qualcomm, the upstart sponsor with the revolutionary technology, pursued a wide-bridge strategy while Ericsson’s alliance choices conformed to a peer-to-peer diffusion strategy.

SESSION 148
BUSINESS MODELS AND INNOVATION

Beyond Product-Process Innovation: The Case of Service Innovation
Phillip Anderson, University of Illinois-Urbana Champaign
The question of how a firm’s technological innovation position relates to service innovation has been relatively understudied. While the research literature finds strong support for technological innovation with respect to product and process, the question of an additional innovation search has received little attention. I seek to advance this area of research by examining factors that influence the technologically innovative product manufacturing firm to innovate in new services. Using data on entry into professional services, preliminary results suggest that platform innovators are more likely to innovate in services than device innovators. Also, as manufacturing firms diversify into non-manufacturing technologies, they appear more likely to innovate in services. The implications suggest that a multiproduct-service innovation cycle is a useful complement to the classic product-process innovation model.
Cognitive Microfoundations of a Dynamic Capability: What Leads to Business Model Innovation in New Firms?

Yuilya Snihur, Toulouse Business School
Christoph Zott, IESE Business School

In this paper we build grounded theory about what microfoundations lead to business model innovation (BMI), which we conceptualize as a dynamic capability for new firms. By comparing four cases of high-BMI ventures to four start-ups displaying low BMI we examine the sources of these divergent outcomes. We find important individual-level cognitive differences between firm founders who design new business models as compared to those founders that do not. In particular, we build theory about how and why external search capacity and founder vision lead to distinctive levels of engagement with BMI.

Organizational Antecedents of Adopting Open Business Models in Emerging Technology Fields: The Synthetic Biology Case

Davy van Doren, Fraunhofer Institute for Systems and Innovation Research
Saeed Khanagha, Erasmus University-Rotterdam

This research analyzes factors influencing adoption of alternative open business models in relation to research, development, and commercialization of emerging technologies. In studying effectiveness of open business models, the majority of existing research has focused on established technological areas where the amounts of associated uncertainties and complexities are less than what is typically associated with emerging technologies. Based on discussing implications of emerging technologies on invention and innovation processes, we compare the effectiveness of alternative emerging open innovation business models from a knowledge absorption and utilization perspective. Preliminary analysis on qualitative data from key players in the synthetic biology field indicates that along with institutional factors, organizational form and culture are important determinants of strategic flexibility that in turn fosters adoption of open business models.

Sustainable Advantage through Time Based-Business Models: Theoretic Foundations and the Case of Smart Grids

Moritz Loock, University of St. Gallen
Thorsten Helms, University of St. Gallen
Karoline Kuenzel, University of St. Gallen

The call for sustainable and innovative business models can be answered either deductive from a theory perspective, or inductive from an empirical perspective. The paper at hand, combines both perspectives and first discusses a new type, time-based business models. We integrate research on business models, as activity systems, and research on the role of time, temporal activities, in organization science. In that sense time-based business models create value by activities of temporal structuring. Drawing from recent innovations in the utility industry, cases of time-based business models will be presented along the issue of demand side management within smart grids. The cases further validate the concept of time-based business models. Implications especially for a demand side-perspective in management apply.

SESSION 32
STRATEGIZING IN PLURALISTIC ENVIRONMENTS

<table>
<thead>
<tr>
<th>TRACK J</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>09:45 – 11:00</td>
<td></td>
</tr>
<tr>
<td>Common Ground</td>
<td>Walnut Room</td>
<td></td>
</tr>
</tbody>
</table>

Facilitators Basak Yakis-Douglas, University of Oxford

Bridging the Gap: An Insider Account of Sustainability Strategy As Practice

Tim Williams, University of Technology Sydney

The dynamic, unfolding process of sustainability strategy formation offers an important unit of analysis to consider the interplay of human agency and emergence in the development of corporate sustainability. This paper describes a work in progress; a longitudinal single case study to trace a process of sustainability strategy formation both retrospectively and in real time and explain the process and outcomes via a multi-theoretical alternate templates strategy. The focus of the research is to consider corporate sustainability as an object of strategizing, as well as the highly pluralised context in which this occurs. As an insider study by a practitioner-researcher, the study meets the strategy as practice aspiration of practitioner relevance and bridges the acknowledged gap between academic and practitioner discourses on corporate sustainability.

Emergent Markets & Institutional Voids: Search for a Sustainable Business Model

Stephanie Newell, Eastern Michigan University
Kunal Banerji, Eastern Michigan University

In this paper we look at how firms from emerging markets make sense of an environment characterized by institutional voids and develop a successful business model that takes advantage of these voids. This paper explores the strategies followed by Bharti Airtel, the largest cellular operator in India, in developing a model that involves successfully outsourcing core elements of its business to allow the firm to thrive in an environment characterized by low prices and small margins. From our exploratory analysis of the letters to shareholders of this organization we posit a model of innovation in business models in emerging markets.

Low-Cost-Countries-Sourcing: Successful Strategy for Regional Development

Vitezslav Zamarsky, Ostrava Business School
Ivo Formanek, Ostrava Business School

An interesting phenomenon of the current globalization is a transfer of research, development, engineering and manufacturing capacities and technologies from high-cost countries to low-cost countries. From the perspective of low-cost countries, the transfer brings new opportunities and new challenges. The Czech Republic with its advantageous geographical position, stable political and economic environment, modern infrastructure, acceptable legal system and enough amounts of well-educated and skilled human resources is also considered as an ideal country for low-cost country sourcing. From 2001 to 2009 we participated in a long-term project of low-cost country sourcing in the Moravian-Silesian Region in the Czech Republic. The project is successful and sustainable with very good perspective for the future. There were and there are also positive impacts on the region. The contribution presents some of them.

Strategy Lobbying

Davin Raiha, Stanford University

Firms frequently make operational and market decisions to gain political influence. They locate plants, expand workforces, or support programs, with the aim of affecting the economy and the electoral success of politicians. This behavior constitutes a non-traditional form of lobbying, which I refer to as strategy lobbying. In this paper I show how firms can use their market strategy to influence policymaking and why it may be preferred, by firms, to more traditional lobbying instruments such as campaign contributions.
What distinguishes strategy lobbying is that a firm's choice of strategy affects the state of a local economy and, in turn, the evaluations that voters make of the performance of an officeholder. I show how firms can leverage this capability to extract subsidies from incumbents. I also explore how the distortionary capabilities of strategy lobbying can negatively affect voter welfare and constitute a form of industrial blackmail.

**Sustainability in Procurement: The Antecedents of Sustainable Buying Decisions in a B2B Context**

Florian Hahnfeldt, EBS Business School
Anna Grobecker, EBS University

In our research we want to explore the factors that influence professional buyers to change their assessment of products to integrate sustainability into the purchasing decision. We will collect and analyze data from an experiment conducted with purchasing agents who will act as experts on the subject. We use conjoint analysis for determining the importance that is given to the different attributes and will enhance these results with an additional questionnaire with which we will collect data on personal characteristics and buyer perceptions. Our contribution lies in the field of the analysis of corporate procurement decisions and the role environmental and social factors play in them. More specifically, we want to investigate under which circumstances environmental and social features of a product tip the purchasing decision towards this product for a professional buyer.

**When Is Strategy: Does Timing Matter?**

Duncan Angwin, Oxford Brookes University
Maureen Meadows, Open University
Basak Yakis-Douglass, University of Oxford

Strategy researchers have long recognized advantages accruing to firms in the timing of their strategic moves, such as being a first-mover or fast-follower. There is also evidence of the importance of signalling strategic intentions to competitors. However, little has been said about strategy communications in differing institutional contexts, and whether the timing of strategy communications matters. When should strategy be communicated to the market, and do differing institutional contexts affect the impact of these communications? This paper examines the timing of voluntary communications during M&A activity in the UK and USA. We contribute to a debate in the strategy-as-practice arena about the importance of strategy practices in macro contexts, and explore how strategy practices may need to reflect shifts in the firm's external environment.

**SESSION 23**

**STRATEGIC ENTREPRENEURSHIP FROM DIFFERENT PERSPECTIVES**

<table>
<thead>
<tr>
<th>TRACK K</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monday, Sep 30</td>
<td>09:45 – 11:00</td>
<td>Chestnut Room</td>
</tr>
</tbody>
</table>

**Comparing Super Angels and Venture Capital Firms as Entrepreneurial Investors: An Examination of Organizational Advantage**

Benjamin Hallen, London Business School
Rory McDonald, University of Texas-Austin

While early partnerships are known to be important for young firms, prior research has primarily focused on organizational partners and has generally overlooked comparisons to other partner forms, such as individuals. To address this void, we theorize the benefits of a given partner form and propose network position as a unifying mechanism for comparing quality across forms. Empirically, we use a variety of analyses to contrast the impact of Web 2.0 ventures forming early investment partnerships with either venture capital firms (organizations) or angel investors (individuals). Our triangulated evidence points to “super angels” as an important albeit underexamined category of venture investor, with the highest-caliber super angels having quality levels similar to elite venture capital firms. We conclude with implications for “organizational advantage” and entrepreneurship.

**How Social Status Moderates Relationship between EO and Performance**

Yinuo Tang, University of Pittsburgh
Dennis Slevin, University of Pittsburgh

Both Entrepreneurial Orientation (EO) and social status have significant impacts on firms’ performance. We ask how social status influences EO-Performance relationship. The characteristic of social status is reflected by analyst coverage of firm. We employ an objective measurement of EO. By using data of 311 firms from four innovation oriented industries, we first examined relationship between objective measured EO and firm’s performance and we also found moderating effects of social status on EO-Performance relationship. Further, we found that EO is positively related to analyst expectation of future performance.

**Influencing Family Business Succession: A Social Identity Perspective**

Scott Hayward, Appalachian State University
David Jiang, University of Tennessee

Drawing from a series of family business cases studies, we employ Social Identity Theory to create a model of the dynamics associated with a family successor’s push for succession. We propose that successors derive power not from resource control and dependencies but from the desire to preserve the family business identity. This meta-identity guides the successor toward more consensual influence tactics. Yet resistance from the founder draws attention to role differentials between the successor and founder, making the family business identity less salient. This leads to the use of more coercive means of influence. In the end, identity and influence tactics help explain differences in successor satisfaction with the succession process.

**Realizing a Successful Trade Sale: Playing on the Market for Technology or Product Market?**

Annelies Bobelyn, Erasmus University-Rotterdam

Trade sales have become the most important exit mechanisms for Young Technology-Based firms (YTBFs). Many studies have investigated the determinants of a successful acquisition from the acquirer’s perspective. This paper however adopts the perspective of the YTBF and analyzes to what extent managerial actions of YTBFs impact the likelihood of being acquired and acquisition return. The results indicate that either having patents or having products contributes to acquisition likelihood. We further find that both the number of patents and the number of products have a negative impact on acquisition return. Finally, we detect that firms with patents do not benefit from upstream partnerships as this results in lower acquisition returns, while firms with products experience an even stronger positive effect from having downstream partners.

**Small Business Lending During the Financial Crisis: The Impact on Businesses in Urban Minority Communities**

Timothy Bates, Wayne State University
Alicia Robb, Ewing Marion Kauffman Foundation

A large, established literature claims to demonstrate that black- and Latino-owned firms, after controlling for risk factors, are more likely than white-owned ventures to have their loan applications rejected by banks (see, for example, Cavalluzzo and Wolken, 2005; Blanchflower et al., 2003). Is this because of their minority ownership trait only or is part of this higher rate of rejection due to their geographic concentration in minority neighborhoods? We have only limited solid empirical evidence on how and whether firms located in urban minority neighborhoods are penalized for their geographic location, other factors constant. We
use Kauffman Firm Survey (KFS) data to examine this issue. We focus on the 2007-2010 time period because many banks during these years experienced unusually stressful operating conditions.

**The Effect Of Organizational Prominence On Employee Mobility And Employee Entrepreneurship**  
Navid Bazzazian, HEC-Paris

We ask why employees of prominent firms are more likely to establish entrepreneurial ventures. We unfold our mechanism by embedding mobility and entrepreneurship in one framework. Building on the interplay of firms’ complementary assets and core resources, we argue that superior quality of complementary assets possessed by prominent firms can give enough incentive to employees to replicate superior complementary assets in entrepreneurial work setting but at the same time deter them from joining existing incumbents. We test our hypothesis in the context of professional services sector with a novel employer employee matched dataset.

**SESSION 20**  
**INFORMAL FIRMS & BOP IN STRATEGIC ENTREPRENEURSHIP**

<table>
<thead>
<tr>
<th>TRACK K</th>
<th>Date</th>
<th>Time</th>
<th>Paper</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monday, Sep 30</td>
<td>09:45 – 11:00 h</td>
<td></td>
<td>Pecan Room</td>
</tr>
</tbody>
</table>

**Session Chair**  
Candace Martinez, St Louis University

**Antecedents of Collective Institutional Entrepreneurship in the Informal Economy: The Case of the London Mining Network**  
Laura Costanzo, University of Surrey  
Claudia Vurro, Bocconi University  
Doug Foster, University of Surrey  
Francesco Perrini, Bocconi University

With the responsibilities to address social and environmental issues being increasingly transferred from the State to firms, actors are mushrooming to leverage resources to put pressure on firms to address such issues, especially in those contexts in which formal and informal institutions meld up, leaving room for strategy wars between large corporate actors claiming for more informalization and institutional entrepreneurs pushing informal boundaries towards stronger formalization. We draw on a narrative approach to investigate the process through which collective institutional entrepreneurship is set up. Action results from stages of field scanning, actor mapping, shared identity creation and common action setting in which the role of the leading entrepreneur is made explicit as an orchestrator of widely dispersed interests and perspectives.

**Economic Informality and the Venture-Investment Impact of Foreign Capital in Developing Countries**  
Candace Martinez, St Louis University  
Michael Cummings, University of Minnesota  
Paul Vaaler, University of Minnesota

Foreign capital is vital for funding new businesses in developing countries. Yet, we have little research to guide our understanding about the relative importance of different foreign capital flows for venture funding, particularly as “economic informality” —the extent to which value-creating transactions are observable— increases. We respond with theory, methods and preliminary evidence from analyses of foreign direct investment (“FDI”), portfolio, foreign aid and migrant remittance flows to 47 developing countries from 2001-2009. FDI and remittances enhance venture funding with remittance effects alone magnified as economic informality increases. Venture funding is enhanced less by large-scale FDI from multinationals in the formal economy and more from small-scale international transfers of money and ideas between individuals and households often outside the purview of markets and regulators.
For the past decade, I have been investigating the shifting landscape of entrepreneurial finance; studying the strategic interactions between entrepreneurs and investors in such settings as corporate venture capital and crowdfunding. Guiding this work is the observation that we are faced with a new reality in which the needs of entrepreneurial ventures are changing on the one hand, and capital sources experience substantial turmoil and change, on the other hand. Highlighted changes include the failing costs of early-stage development, the emergence of novel business models, the shifting availability of angel, crowd-funding, venture capitalists, corporate investors, and venture philanthropy, as well as the role of institutions and governments in facilitating (or hindering) a vibrant ecosystem of entrepreneurial finance. As a result, a new set of questions emerges that are fundamentally different from those driving research in the previous century. Given the new venture needs and the changing investor landscape, how would the interplay between entrepreneurs and investors materialize? What insights could strategy and entrepreneurship offer, and glean from, these new phenomena. The session will expand on these issues, and will benefit from the insights and expertise of three luminary scholars in the space.

The Impact of Outsourcing Scale, Scope, and Prior Vendor Relationships on Firm Market Value Creation: Evidence from Offshored IT-Based Services

Saikat Chaudhuri, University of Pennsylvania
Joydeep Chatterjee, University of Washington-Bothell

As outsourcing expands in scale and scope to increasingly higher-end tasks, the outcomes and implications remain unclear. The current literature poses contradictory predictions on the extent to which a firm should outsource and engage with vendors. We examine a sample of publicly announced IT/IT-enabled services outsourcing deals from 2000-2009, and find that the greater the sophistication of the outsourced tasks, the lower the market value creation for the client, even as increased scale has a positive effect. Further, while a prior client-vendor relationship is associated with greater value creation as tasks grow in scale, it has a negative moderating impact for higher value-added tasks. The results suggest that outsourcing is neither a pure market transaction nor an alliance, but may be a hybrid governance form.

Value Creation and Value Capture in Buyer-Supplier Relationships: the Paradox of Trust

Guilherme Martins, Getulio Vargas Foundation
Luiz Brito, Getulio Vargas Foundation
Fabio Tescari, Getulio Vargas Foundation
Priscila Miguel, FGV-EBAPE

This study aims to analyze the effect of trust on both value creation and value capture in the buyer-supplier relationships. Whereas value creation is a win-win scenario, in value capture, it means that, if a bigger slice of pie is taken by a firm, a smaller slice is left to the other firm. Based on 117 dyads, we found the existence of both ‘bright side’ and ‘dark side’ of trust. Although the importance of trust was evident in creating relational rents, there’s a limit in capturing the benefits of the growing level of trust. In excess, trust actually hurts the potential of suppliers in capturing value.

When the Wind Blows: State-level Policy and Sourcing for Wind Power in the U.S. Electricity Industry

Carmen Weigelt, Tulane University
Ekundayo Shittu, Tulane University

We study how capability and transaction cost considerations explain firms’ wind power make-or-buy decisions in the U.S. utilities industry over a 23 year time period (1990-2012). As the wind industry emerges in utilities’ upstream energy generation segment of the value chain, transaction hazards associated with contracting for wind power decline and capabilities related to the new segment accumulate affecting make-or-buy preferences among utilities. We use a sample of wind power make-or-buy decisions (owning a wind farm or purchasing wind power) of utilities and independent power producers. We study how timing of entry, prior activities with conventional energy sources, and capability accumulation in the new wind power segment influence make-or-buy decisions over time as technological uncertainty decreases and regulatory pressures toward renewable energy sources increase.
**SESSION 46**

**ALL YOU NEED IS LOVE: THE RELATIONSHIP BETWEEN THE BOARD AND THE CEO**

<table>
<thead>
<tr>
<th>TRACK O</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Time</td>
<td>09:45 – 11:00 h</td>
</tr>
<tr>
<td>Session Chair</td>
<td>Mike Peng, University of Texas-Dallas</td>
<td></td>
</tr>
</tbody>
</table>

**A Director Primacy View on CEO Dismissals**

Steve Sauverwald, University of Texas-Dallas  
Mike Peng, University of Texas-Dallas

Recent corporate governance research is consumed with a debate over the relative influence of shareholders and directors in strategic governance decisions such as CEO dismissals. On the one hand, the shareholder primacy view calls for increasing shareholder power to prevent entrenched directors from colluding with management. On the other hand, the director primacy view suggests that transferring more authority to board of directors increases strategic governance efficiency. While both sides of this debate have merit, we argue that more attention to contingency conditions may help to reconcile this debate. We therefore take a comparative corporate governance approach in this debate. We test our theory in an extensive new dataset of S&P 500 firms covering CEO dismissal events from 1998 until 2010.

**An Empirical Investigation of Good Boards Gone Bad: The Escalation of Commitment of a Board to an Underperforming CEO**

Michelle Zorn, Florida State University  
Kaitlyn DeGhetto, Florida State University

An important pursuit is to understand more about the strategic decision-making of the board of directors. Theoretically, directors are viewed as rational actors that uphold the shareholders’ best interests. This view does not recognize that directors are subject to the same rational limits and cognitive biases as all decision makers. Thus, we extend prior escalation of commitment research by examining the relationship between the board and the CEO. We propose that psychological and behavioral factors may cause boards to escalate commitment to their CEO regardless of shareholders’ best interests. Specifically, we test a model that investigates the escalation of commitment of the board to the CEO through increased tenure, compensation, and support of risky CEO championed projects, despite evidence of poor firm performance.

**Board Social Capital and CEO Compensation**

Steve Sauverwald, University of Texas-Dallas  
Zhiang Lin, University of Texas-Dallas  
Mike Peng, University of Texas-Dallas

Introducing a social capital view of CEO compensation, we suggest that the board’s external and internal social capital affect the board’s ability to keep excess CEO pay under control. Specifically, we argue that external and internal board social capital have distinctive impacts on excess CEO compensation. Further, we bridge the board social capital research with sociopolitical factors in order to provide a more holistic theoretical rationale for excess CEO compensation. Specifically, the social capital effects on CEO pay are moderated by CEO power, which can regulate access to the corporate elite as well as shape internal governance norms. We test our arguments in a study of 1,983 publicly-held U.S. corporations listed on the S&P 1,500 index from 1999 to 2010.

**Reducing CEO-Board Conflicts: The Role of Outside CEO Successors’ Prior Board Experiences**

Hongquan Zhu, Arizona State University  
Wei Shen, Arizona State University

Drawing from upper echelon theory, we propose that directors may try to reduce post-succession conflicts with an outside CEO by selecting a successor who has prior experience with other similarly diverse boards. In addition, we posit that such an outside CEO successor is less likely to have conflicts with the board, reducing post-succession CEO and director turnover and improving firm performance. Analyses of 124 Fortune outside CEO turnovers (1994-2007) provide strong support for our theory. This study contributes to corporate governance research by examining how outside CEO successors’ prior board experiences may reduce subsequent CEO-board conflicts and improve major organizational outcomes. It also identifies a new background of CEOs that has important implications for upper echelon research.

**SESSION 50**

**COME TOGETHER: BOARD COMPOSITION AND CHANGES**

<table>
<thead>
<tr>
<th>TRACK O</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Time</td>
<td>09:45 – 11:00 h</td>
</tr>
<tr>
<td>Session Chair</td>
<td>Craig Crossland, University of Notre Dame</td>
<td></td>
</tr>
</tbody>
</table>

**Board Composition Across Time: An Exploration from IPO to Maturity**

Christine Shropshire, University of Georgia  
Amy Hillman, Arizona State University  
Katalin Takacs Haynes, University of Delaware  
Mayukh Dass, Texas Tech University

Does board composition change to meet the changing needs of the firm over time? We utilize recent methodological advances to explore if and how board composition changes as a function of time, organizational and industry characteristics. We combine insights from multiple theories on corporate governance to interpret relationships between board characteristics, the firm and its environment. Our findings contribute to understanding if and how board structure and composition correspond with the evolving challenges and needs of the organization as it grows from IPO to maturity.

**How Does the Presence of Women on Corporate Boards Influence Firm-level M&A Activity?**

Guoli Chen, INSEAD  
Craig Crossland, University of Notre Dame  
Sterling Huang, INSEAD Business School

Although a growing body of literature continues to explore the performance implications of board gender diversity, this work has shown inconsistent findings. Furthermore, little research has comprehensively examined a crucial intervening step between board gender diversity and performance outcomes – firm-level strategic behavior. We consider this issue via a detailed investigation of corporate mergers and acquisitions activity. Our results show that female board representation is associated with fewer acquisitions, smaller acquisitions, cash (vs. equity) funding, greater diversification, and higher bid premiums. We also find no significant influence of female board representation on short-term market reactions or long-term financial performance. We demonstrate the robustness of our results via a supplementary difference-in-difference analysis of a sub-sample of firms that experienced exogenous changes in board composition following director deaths.

**Institutional Velocity and Board Structure**

Victor Chen, University of North Carolina – Charlotte  
Bersant Hobdari, Copenhagen Business School  
Pei Sun, Fudan University

We integrate the strategic- and institutional functions of board of directors in diverse and changing institutional environments. We argue that the interaction patterns between different institutional dimensions determine the optimal board size and diversity. On the one hand, faster synchronization of institutional changes between different dimensions
requires more agility in timely strategic changes, leading to smaller board size and diversity. On the other hand, greater complementarity of institutional changes between different dimensions requires more comprehensive responsiveness, leading to greater board size and diversity. Additionally, we introduce a new concept institutional velocity, which integrates both the rate and the direction of an institutional change. Employing a panel of 1000+ BRIC firms during 2001-11, we test whether the board structure predicted by our theory leads to better firm performance.

Welcome to a Board! Directorships as Certifications in the Executive Labor Market
Steven Boivie, Texas A&M University
Scott Graffin, University of Georgia
Adam Wowak, University of Notre Dame
How do executives benefit from serving on boards? In this study, we propose that board service acts as a certification mechanism in the executive labor market that can positively influence executive careers, especially for non-CEO executives serving on their first boards. We specifically argue that non-CEO executives who gain directorships will be more likely to be promoted to CEO, will achieve these promotions more quickly, and will receive higher pay from their home firms. We also expect that contextual conditions such as organizational size and performance will moderate these relationships. We will test our ideas on a longitudinal sample of approximately 2,000 top executives of large, publicly traded companies in the United States over the period 1998 to 2011.

SESSION 180
SHOULD WE LEARN FROM THE EXTREMES

Envisioning the Improbable: Distributional Knowledge and Judgment in Heavy-Tailed Contexts
Shellwyn Weston, New York University

Heavy-tailed distributions characterize contexts of great importance to managers (e.g., branded product sales, asset prices, and environmental phenomena) in which samples often lack outliers and appear thin-tailed. If they misclassify these contexts as thin-tailed (extreme events are rare rather than merely unusual), managers may undervalue opportunities or fail to avoid catastrophic events. Proposed experiments may demonstrate that individuals generally do not distinguish between heavy- and thin-tailed contexts in the absence of experience and that contextual knowledge (the understanding that sample data may be misleading, precipitating a search for analogous contexts, a generative mechanism, or more data) moderates the hypothesized biased judgments. A new method of eliciting confidence appropriate for heavy-tailed contexts is proposed and tested. Finally, statistical education may be shown to exacerbate the bias.

Inference from Extreme Failure in Organizations
Jerker Denrell, Stanford University
Chengwei Liu, University of Warwick
David Maslach, Florida State University

Failure and disaster are often blamed on the people in charge. Organizational researchers have argued that such practice of blaming individuals is often misplaced because the fundamental causes of failures are often tightly coupled systems which make organizations sensitive to rare external shocks. Here we use data from Formula One Racing to examine how inferences about skill depend on system design. The data show that cars with extremely poor performance do not have the lowest expected quality, suggesting that very poor performance in tightly coupled systems is relatively uninformative about individual skill and that moderately low performance can be a more reliable indicator of low skill. Further, we show that race car drivers are more likely to be fired due to extreme failure outcomes rather than due to their long-term expected abilities. This perhaps implies that organizations cannot resist the temptation of firing unlucky executives.

The Application of Neuroscientific Methods to Management Research: Problems and Opportunities
Daniella Laureiro-Martinez, ETH Zurich
Stefano Brusoni, Swiss Federal Institute of Technology Zurich
Vinod Venkatraman, Temple University
Stefano Cappa, San Raffaele Scientific Institute
Maurizio Zollo, Bocconi University

In the past two years, we have explored, together with other researchers and participants in the SMS meetings, a series of questions and issues regarding the application of neuroscience to strategy. Previous articles have provided interesting reviews of what issues are specifically pertinent to the application of such techniques, particularly in the field of marketing, but also growingly expanding into strategy and key strategic issues. This paper presents three main open issues stemming from the early applications of neurosciences to management research. First, the issue of the sampling technique. Second, the issue of the task to be used to generate data in a, say, fMRI machine. Third, the issue of the ethical implications faced by this type of studies.

The Influence of Adaptation on Skewness Seeking
Johannes G. Jaspersen, Ludwig Maximilian University of Munich
Richard Peter, Ludwig Maximilian University of Munich

Experiential learning and competitive selection can lead to risk averse behavior of agents. Recently it has been noted that this behavioral pattern is not necessarily consistent if the uncertain alternative is negatively skewed. In such a case, risk-seeking behavior can emerge. This would imply that some patterns of adaptation imply skewness avoiding behavior. Prior studies have examined attitudes towards risk in the form of variance and skewness in a combined fashion. Using a novel approach, we separate the two concepts and investigate the attitude towards skewness implied by organizational learning and competitive selection. We find that learning implies weak skewness avoiding behavior. Competitive selection, however, leads to a preference for positively skewed alternatives. Our results can explain the U-shaped influence of competition on innovation.

SESSION 67
WHY (AND WHY NOT) FIRMS INVEST IN SUSTAINABILITY

★ Do Managers Systematically Underestimate the Potential for Waste Reduction?
Luca Berchicci, Erasmus University-Rotterdam
Andrew King, Dartmouth College

Scholars have conjectured that firms miss opportunities for waste reduction. Previous studies have explored the veracity of this hypothesis, but its cause remains poorly understood. In this article, we draw on theories of expectations and goal setting to provide a theory for why managers might underestimate the potential for waste reduction and thereby fail to exploit all opportunities. Our research extends the environmental literature, and for the broader literature it uncovers a potential cause for x-inefficiency with respect to waste prevention.
Green Signaling and LEED
Daniel Matisoff, Georgia Institute of Technology
Douglas Noonan, Indiana University-Purdue University Indianapolis

Green building adoption is driven by both performance-based benefits and marketing based benefits. Performance based benefits are those that improve performance or lower operating costs of the building or of building users. Marketing benefits stem from the consumer response to green certification. This study illustrates the relative importance of the marketing based benefits that accrue to Leadership in Energy and Environmental Design (LEED) buildings due to green signaling mechanisms, specifically related to the certification itself are identified. Of course, all participants in the LEED certification scheme seek marketing benefits. But even among LEED participants, the interest in green signaling is pronounced. The green signaling mechanism that occurs at the certification thresholds shifts building patterns from just below to just above the threshold level, and motivates builders to cluster buildings just above each threshold.

Incentives to Free-Ride: Legitimacy and Reputation Spillovers in the Context of Environmental Management
Thomas Graf, IE University
Carl Joachim Kock, IE University
Luis Diestre, Instituto de Empresa Business School

Firms interlocked with prestigious organizations have been found to profit from legitimacy spillovers. Stakeholders may perceive these firms more benevolently than firms without such ties, based on the assumption that they have quality or conform to external expectations. We argue that such legitimacy spillovers may absolve firms from making the substantive investments necessary for generating legitimacy themselves and allow them to free-ride. Using a sample of 261 interlocked firms and 5,748 observations from 1998 to 2009, we find that environmentally weak firms indeed worsen their environmental performance when they are interlocked with firms that have a strong environmental reputation. This effect becomes even stronger the larger those interlocked firms are.

Sustainability Orientation of Firms: A Multi-Context Exploration of Patterns in Corporate Sustainability Reporting
Venkataraman Sankaranarayanan, Indian Institute of Management-Calcutta
Sarath Balachandran, Indian Institute of Management-Calcutta

Corporate sustainability (CS) research has traversed substantial conceptual and empirical ground. Yet, evolving amidst multiple theoretical conceptions and seemingly conflicting priorities, the field still typifies a discipline in a pre-paradigmatic state and lacks a cogent theoretical framework which can unify various linkages to explain the heterogeneity in CS strategy, practices, praxis, processes and performance. Our exploratory study attempts to partially address this gap, by content-analyzing CS reports of Fortune Global 500 firms. We develop propositions uncovering the underlying theoretical mechanisms that explain CS patterns elicited across multiple contexts such as industry and geography. We also explore how attributes such as internationalization influence firms’ sustainability orientations. We add to extant theory by applying a neo-institutional perspective and proposing interaction effects between social and environmental CS dimensions.
**Lifetime Achievement Award**  
Neville Isdell, Coca Cola Company

---

**SMS 33rd Annual International Conference**

**SESSION 59**

**PLENARY TRACK**

<table>
<thead>
<tr>
<th>TRACK Q</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monday, Sep 30</td>
<td>11:15 – 12:00 h</td>
<td>Grand Ballroom ABC</td>
</tr>
</tbody>
</table>

---

Neville Isdell is the former chairman and CEO of The Coca-Cola Company where he worked for 43 years. He expanded on the company's proud legacy of corporate responsibility by embedding sustainability throughout every facet of the organization and helping ensure its role as a community-connected twenty-first century enterprise. These efforts resulted in The Coca-Cola Company's return to Fortune's "World Most Admired Companies" list in 2006. In 2009, the company moved up to the #12 spot in the global ranking. A native of Ireland, Neville Isdell joined The Coca-Cola Company in 1966 in Zambia. In 1972, he became general manager of Coca-Cola Bottling of Johannesburg. In 1989, he was elected senior vice president of the company and appointed president of the Northeast Europe/Africa Group and led the company's re-entry into new markets in India, the Middle East, Eastern Europe, and the former Soviet Union. From 1998 to 2000, Neville Isdell served as chairman and CEO of Coca-Cola Beverages Plc in Great Britain. He retired as vice chairman of Coca-Cola HBC in December 2001. In June 2004, Neville Isdell came out of retirement to lead The Coca-Cola Company as chairman and CEO. He serves on the boards of a number of NGOs, as well as chairs the Investment Climate Facility. He is Chairman of the World Wildlife Fund US, and a member of the WWF International Board of Trustees. He is also a recipient of the Clinton Global Citizen Award.
Plenary Panel: CK Prahalad Award

Clayton Christensen, Harvard University

In this session, Clay Christensen will be discussing what he has learned over the last 20 years about how to develop a useful theory. Clay Christensen will describe how CK Prahalad's published work helped him create a model that can be useful for others in examining how the world works.

Clayton Christensen is the Kim B. Clark Professor of Business Administration at the Harvard Business School. He started four successful enterprises including Innosight, a consulting firm that uses his theories of innovation to help companies create new growth businesses. Besides advising major corporate executives, Clayton Christensen is the author of nine books and more than a hundred articles. He received his BA with honors in economics from Brigham Young University and an M.Phil. in applied econometrics from Oxford University, where he studied as a Rhodes Scholar. He received both an MBA with high distinction and a DBA from the Harvard Business School. Clayton Christensen was named a White House fellow and served as assistant to U.S. Transportation Secretaries Drew Lewis and Elizabeth Dole. He holds five honorary doctorates and an honorary chaired professorship at the Tsinghua University in Taiwan.
we found that CSR, together with the national environmental regulations and environmental taxes and fees, is an important determinant of companies’ environmental impacts. Furthermore, the study revealed that CSR is more powerful determinant in the liberal market economies.

Governance of MNCs and CSR: Lessons from Born-GLOBAL Social Ventures

Silvia Dorado-Banacloche, University of Rhode Island
Bogdan Prokopovych, University of Rhode Island
Alex Nichols, University of Oxford

This essay contributes to the literature on governance. It explores the role of governance mechanisms in the engagement of MNC in corporate social responsibility (CSR) activities. The paper reviews the literature on governance, considering both organization centered perspectives, dominant in the management literature, and supply chain centered perspectives which are receiving growing attention in the economic development literature. Inspired by the challenges and experience of born-global social ventures (namely fair trade and microfinance), it argues that the sustainability and social value of MNCs’ engagement in CSR hinges on the emergence and development of governance mechanisms that influence the balance of power within MNCs’ global supply chains of reference.

Hand in Hand: Community Embeddedness and Social Responsibility

Erin Pleoggenkuhle-Miles, University of Nebraska-Omaha

Firms are experiencing increasing internal and external pressures to fulfill broader societal goals. And regardless of whether social responsibility should be a concern of wealth-oriented firms, firms do not operate in a vacuum, but are embedded within networks and communities. As such, the norms, values, and expectations of those networks and communities are likely to influence firm behavior. This study examines how community embeddedness and the local environment influence business social responsibility. I survey the U.S. ethanol industry and examine refineries’ community support efforts as a measure of social responsibility. The study finds that while community embeddedness positively influences community support, environmental characteristics (i.e., business density and metropolitan status) negatively influence it. This study contributes to the institutional and social responsibility literatures.

Dynamic Platform Competition in a Two-Sided Market: Evidence from the Online Daily Deals Promotion Industry

Jeong Sik Lee, Georgia Institute of Technology
Byung Cheol Kim, Georgia Institute of Technology
Hyunwoo Park, Georgia Institute of Technology

We study dynamic platform competition in the daily deals market characterized by intense rivalry between two leading promotion sites that broker between local merchants and consumers. We find that the incumbent Groupon enjoys a significant performance advantage, which appears attributable to its greater network size in the consumer side. Yet LivingSocial successfully penetrates in this market. We find no evidence that LivingSocial offers more favorable terms on their deals. Instead, LivingSocial poach merchants from Groupon, aided by the publicly available information on individual merchants and deal performance. Poached deals perform better than the deals developed internally. While information-based poaching provides a foothold for the entrant
Multimarket Competition and Patent Litigation
Matt Theeke, *George Mason University*
Hun Lee, *George Mason University*

Commentators have noted a rise in patent litigation with lawsuits increasingly used offensively against rivals. Yet, prior studies have not fully considered how competition affects the decision to initiate patent litigation. We explore how multimarket contact influences a firm’s decision to initiate a patent lawsuit against its rival. In contrast to other competitive actions, we argue that patents confer an asymmetrical capability that results in a lower threat of retaliation by the rival. Whereas studies have shown how multimarket contact typically results in mutual forbearance, this study shows that multimarket contact increases the likelihood that a firm initiates patent litigation against its rival and that this effect is exacerbated by factors affecting resource value, but attenuated by the relative strength of the rival’s patent portfolio.

Multimarket Competition in Both Input Resource and Output Markets
Hyun-Soo Woo, *Arizona State University*
Albert Cannella Jr., *Arizona State University*

The purpose of our study is to investigate competition over input resources in a multimarket setting and to consider the spillover effects of competition in output markets on that in input resource markets. Applying multimarket competition theory, we develop the argument that if firms compete with each other in both output and input resource markets, mutual forbearance emerges not only in output markets but also in input resource markets. Furthermore, mutual forbearance in output markets is likely to spill over in input resource markets. Specifically, when rivals have already begun to mutually forbear in output markets, they are more likely to notice and to realize additional collusive opportunities in input resource markets.

Multimarket Contact and Entry: Evidence from the Banking Industry
Maria Eugenia Delfino, *Austral University*

This study examines the impact of multimarket contact on entry into new markets in the Argentine banking industry over the 1994-2000 period using survival analysis techniques. The results suggest that banks with large asset bases and greater experience are more likely to expand into new markets when the level of demographic variables such as population density, demand or market growth are favourable. The findings imply that multimarket contact reduces the likelihood of entry into new markets and that other factors such as market dominance and market concentration also have a negative impact on entry. Finally, the results reveal that strategic similarity among multimarket competitors amplifies the negative effect of multimarket contact on the hazard of entry.

Relational Antecedents of Multimarket Contact
JungYun Han, *INSEAD*
Andrew Shipilov, *INSEAD*

Despite the wealth of research on the antecedents of multimarket contact, we know little about how it is shaped by social ties between firms. In the absence of social ties, firms increase their multimarket contact to benefit from tacit collusion. Social ties affect the firms’ ability to engage in explicit collusion, deep learning as well as in giving and receiving support. These considerations affect the firms’ decisions to increase or decrease the extent of their dyadic multimarket contact. We predict that strong ties between firms lead to the expansion of their dyadic multimarket contact while weak ties reduce their dyadic multimarket contact. Examining ties between owner families of Korean business groups over a 40 year period, we find support for these arguments.

Signals As By-Products: Evidence from the Hedge Fund Industry
Emanuel Roland Kastl, *City University London*

Although signals have been discussed in extant literature (e.g. Spence 1973 and 2002), little attention was given to signals, which emerge as by-products of organizational action. Investigating signals as by-products, however, is important, since prior research (e.g. Connelly et al., 2011) indicates that they play an important role in shaping competitive interaction on product markets. This paper develops a conceptual distinction between ‘intended signals’ and ‘signals as by-products’. In doing so, the theoretical ambiguity surrounding the concepts of ‘organizational action’, ‘signal’ and ‘signaling cost’ is clarified. Drawing on a large-scale dataset of hedge funds, it is analyzed how by-product signals impact capital flows from investors. The findings of the longitudinal empirical analysis (1994-2011) indicate that despite a confirmation of the predispositions toward negative effects of signals as by-products in prior literature (cf. Connelly et al., 2011), signals as by-products may also have positive effects for the signal sender.

Resource Slack and Performance: Is Competition the Missing Link? A Meta-Analysis of Mediation
Christina Carnes, *Texas A&M University*
David Sirmon, *University of Washington*

The resource slack to performance relationship remains an ongoing topic for debate because of the tension between efficiency and effectiveness created by slack’s flexibility. Through a meta-analysis of 123 effects reported in 77 studies, we establish that the slack to performance relationship is positive supporting the resource-based logic arguments over agency arguments of slack’s use in firms. Further, we extend theory in this area by integrating work from competitive dynamics to suggest that competitive actions and simplicity of competitive strategies mediate the slack to performance relationship. Meta-analytic evidence used in SEM analysis also suggests support for these mediations offering an extension to theory by explicating the mechanisms through which slack influences performance.

When Is Competitive Advantage a Social Good?
Nile Hatch, *Brigham Young University*

What happens to the customers of firms with competitive advantages? I study the conditions under which competitive advantage may be a social good. Perfect competition protects customer welfare when they have homogeneous preferences. In contrast, competitive advantages that lead to supernormal profits typically raise prices and injure customers.
However, when customers have heterogeneous preferences, their welfare may be enhanced through firms with competitive advantages that serve the diverse preferences of the customers. Through simulation modeling, I study three dimensions of customer heterogeneity, to understand when these customers are better off paying a premium to firms with competitive advantages. This analysis gives insights into the forms of competitive advantage that promote consumer welfare and those that do not.

**When To Be Copied? The Strategic Logic of Imitability**

Peter Bryant, IE University

Theories of competitive strategy often argue that firms should be imitable. However, studies show that benefits can also result from imitability, that is, from being copied. To explain these contradictory findings, I develop a model of the strategic logic of imitability and argue that its advantages and disadvantages depend on conditions in the evolutionary selection environment. Underpinning my argument is an insight from evolutionary biology: within environments rich in resources and capabilities, the dominant selection mechanism is the extinction of the weakest, not the survival of the fittest, and many moderately fit agents survive. When applied to theories of competitive strategy, this implies that benefits can also be derived from being copied, depending on the dynamics of selection in the industrial environment.

**SESSION 72**

**CORPORATE DIVESTITURE AND PORTFOLIO RESTRUCTURING**

**TRACK F**

**Date** Monday, Sep 30  
**Time** 14:00 – 15:15 h  
**Paper**  
**Session Chair** Donald Bergh, University of Denver

**Corporate Divestitures and Family Control**

Emilie Feldman, University of Pennsylvania  
Raffi Amit, University of Pennsylvania  
Belén Villalonga, New York University

This paper investigates the propensity of family firms to undertake corporate divestitures, as well as the performance consequences of these transactions. Using a proprietary dataset consisting of detailed information on the family control and divestiture activity of family firms between 1994 and 2010, we find that family firms are less likely than their non-family counterparts to undertake divestitures, especially when they are managed by family-CEOs rather than non-family CEOs. We also establish that the divestitures undertaken by family firms are associated with higher firm value, especially when they are run by CEOs who are descendants of the firms’ founders.

**Loss Exposure and Corporate Scope Changes: The Effects of Downside Risk on Acquisitions and Selloffs**

Jan Mammen, University of Erlangen-Nuremberg  
Todd Alessandri, Northeastern University

Managers are very sensitive to potential losses. We examine a downside risk perspective of corporate scope decisions. Relying on behavioral agency theory arguments, we investigate how organizational downside risk influences acquisition and selloff decisions. Our core argument is that managers will offset higher levels of organizational downside risk through reducing acquisitions and increasing selloffs. We empirically test these relationships on a panel dataset of S&P 500 firms from 1998-2008. We find support for these relationships. In addition, we explore the moderating effects of managerial incentives, arguing that managerial risk bearing can exacerbate or mitigate the influences of downside risk. Our findings indicate that managerial wealth concerns, as measured by short-term pay, managerial stock ownership and stock option holdings, moderate the effects of downside risk.

**Patterns of Successfully Managed Corporate Portfolio Restructuring**

Sebastian Schönhäar, Freiberg University of Mining and Technology  
Michael Nippa, Technische Universität Bergakademie Freiberg  
Ulrich Pidun, Boston Consulting Group

Strategic change at the corporate level is often metonymic with corporate portfolio restructuring based upon a strategic realignment. Although previous research has analyzed determinants that may induce business portfolio restructuring as well as the restructuring – corporate performance link, scholarly attempts to investigate into characteristics of corresponding transformation processes are meager. This study addresses the research gap, applies organizational change theory, defines key process determinants, and empirically tests their impact on the success of business portfolio restructuring. Our findings show that while speed, magnitude, and sequence of corporate portfolio transformations alone have no significant impact on firm success, official announcements and specific combinations of magnitude and speed have. The paper discusses findings in the light of further developing research on strategic processes.

**When Does Performance Matter for Divestments?**

Naga Lakshmi Damaraju, Indian School of Business  
Jay Barney, University of Utah

The purpose of this paper is to establish the predictive power of parent and segment performance relative to other predictors of divestment and the conditions under which parent and business unit performance may have more or less predictive power. In particular, this paper draws implications from real options theory for the predictive power of parent and business unit performance. Results are consistent with the real options logic. While parent performance is a strong predictor in the overall sample, the predictive power of parent performance for divestments is drastically lower under conditions of increasing uncertainty in a business unit’s environment.

**SESSION 122**

**KNOWLEDGE AND NETWORKS FOR GLOBAL STRATEGY**

**TRACK G, TRACK I**

**Date** Monday, Sep 30  
**Time** 14:00 – 15:15 h  
**Paper**  
**Session Chair** George Shinkle, University of New South Wales

**Knowledge Flows in Global Virtual Teams: A Network Perspective**

Pekka Vahtera, University of Leeds

Companies increasingly rely on flexible organizational structures which emphasize knowledge networks spanning across national borders. We analyse two key intra-firm knowledge dimensions: availability and complementarity within global virtual teams. We draw from network theory to develop a conceptual framework where knowledge accumulation within 160 team-members is revealed to be influenced by tie content (multiplexity), coordination (geographical and cultural distance), clustering (cliques), and motivation (reciprocity). Our study extends current conceptualizations of knowledge-based global virtual teams by identifying structural and relational antecedents under which intra-firm information and knowledge flows are maximized. Our findings have theoretical and practical implications on effectiveness of transnational forms of organizations and the role that social networks play within them.
Managing Multiple Networks: How Individual Network Embeddedness Affects Subsidiary Initiative Acceptance

Anna Strutzenberger, Johannes Kepler University Linz
Tina Claudia Ambos, University of Sussex

The role of subsidiary embeddedness for initiative taking has been acknowledged and investigated over the last two decades. Nevertheless, the critical role of the subsidiary manager in handling multiple networks to realize strategic initiatives has received surprisingly little attention in scholarly research. This paper draws on international business, social capital, and network theory to investigate the effects of an individual subsidiary manager’s network position in different types of internal and external networks. We develop propositions how the structural, relational and cognitive aspects of the manager’s network position as well as conditions of embeddedness overlap and over-embeddedness affect subsidiary initiative acceptance.

Organizational Design and Subsidiary-to-Parent Knowledge Transfer in MNCs: The Mediating Role of Parent Firm Attention

Maximilian Palmié, University of St. Gallen
Naomi Haefner, University of St. Gallen
Marcus Matthias Keupp, Swiss Federal Institute of Technology
Oliver Gassmann, University of St. Gallen

We offer a theory and empirical test of the relationship between formal organizational architecture and ‘reverse’ (i.e. subsidiary-to-parent) knowledge transfers in multinational firms. Building on the attention-based view, seven propositions argue that organizational architecture elements affect the extent to which a focal subsidiary receives attention from the MNC’s parent firm, that this extent of parent firm attention affects the extent of reverse knowledge transfers, and that parent firm attention mediates the relationship between organizational architecture elements and reverse knowledge transfers. Testing hypotheses on three aspects of formal organizational design (autonomy, assignment of international responsibilities, and competence-creating objectives in the subsidiary’s mission) with a unique sample of 287 subsidiaries, we find broad support for the theory and highlight implications for academia and practice.

The Impact of Networks, Institutional Distance, and Cultural Distance on Private Equity Investments in Emerging Markets

Santiago Mingo, Adolfo Ibáñez University
Francisco Morales, University of Colorado-Boulder

How is the investment strategy of a private equity firm investing in an emerging market region affected by the position of the firm within the network of private equity firms investing in the region? How do these effects interact with institutional and cultural distance? We propose that a private equity firm that is more central within the network has a higher probability of investing in a country located in the region. We also hypothesize that the positive effect of network centrality weakens as the institutional and cultural distance to the destination country decreases. Using a novel dataset covering investments by more than 400 private equity firms in nine Latin American countries during the period 1996-2011, our preliminary statistical analyses tend to support our theoretical propositions.

Can You Learn from Success and Failure? Magnitude of Experience and Organizational Learning

Jae Yoo, Korea University
Eonsoo Kim, Korea University

Although organizations may learn differently from experiences of success and failure, it is uncertain how effectively organizations learn from these experiences. Organizations are considered to increase survivability through learning, and learning is considered to have occurred when the hazard rate decreases. We find that the magnitude of experiences of success and failure affect the hazard rate of the organization. Both the magnitude of experiences of success and failure show an S-shaped relationship with the hazard rate. Experiences of success and failure have a certain point where the hazard rate is lowest. These results suggest that learning may best occur with a certain amount of magnitude of experience, and organizations may not be learning the best they can from every experience.

Diffusing Strategy Implementation Throughout the Organization: Adopting a Social Learning Lens

Dennis Herhausen, University of St. Gallen
Robert Morgan, Cardiff University
Luigi Mario De Luca, Cardiff University
Marcus Schögel, University of St. Gallen

Well-formulated strategies only result in superior returns for an organization when they are implemented successfully. We examine the dissipative processes underlying the role of relationship quality (leader-member exchange and team-member exchange) through to the individual level of the strategy implementation process. We propose a contingent model based on social learning theory using data generated from a retail bank. Using hierarchical linear modeling, we find that social exchange relationships embedded in a work team setting influence individual employee’s strategy implementation support. Namely, the higher an employee’s leader-member exchange, the stronger is the positive relationship between supervisor modeling behavior and team member strategy support. Additionally, the higher an employee’s team-member exchange, the stronger the positive relationship between work team strategy support and individual strategy support.

Learning Complex Tasks: The Role of Cognitive Load and Advisor-Based Learning

Emmanuelle Reuter, University of St. Gallen
Tom Laamanen, University of St. Gallen

We extend the concept of cognitive load from the individual to the firm level of analysis by borrowing theory from Cognitive Load Theory in educational psychology, and synthesizing related organizational concepts. We argue that cognitive load is not only a limitation but also constitutes a unique enabler for firms to learn complex tasks. We develop a theoretical framework explaining the ways the extrinsic, intrinsic, and germane dimensions that constitute cognitive load influence organizations’ learning of complex tasks, and highlight the specific advisor roles that guide this advisory-driven learning process over time. Contributions are intended to be made to organizational learning, and capability development literatures.

Learning from Failure: How Firms, Competitors and Third Parties Contribute to Accident Reduction

Kristina Dahlin, HEC-Paris

We distinguish learning from infrequent failures from learning from frequent successes, and identify four pathways for organizational learning from failure: internal analysis of an organization’s own accidents; imitation of other organizations’ responses to their accidents; adoption of recommendations resulting from analyses by third-party agencies of specific accident’s causes; regulatory interventions resulting from analyses by third-party agencies of system-wide accident patterns. Using data from the U.S. freight railroad industry between 1975 we find that railroads
learn more from others’ accidents than from their own, from third-party recommendations than analyses, and that learning from others is mediated by third-party recommendations and regulatory interventions. We conclude that third-party repositories of experience are key enablers of learning from failure.

SESSION 131

KNOWLEDGE RECOMBINATION AND INNOVATION

Track I

Date: Monday, Sep 30
Time: 14:00 – 15:15 h
Paper
Room: Hazelnut Room

Session Chair: Dovev Lavie, Technion-Israel Institute of Technology

Collaboration with the Open Source Community and Entrepreneurial Ventures’ innovation performance: The Depth and Breadth of Community Knowledge Leveraging

Massimo Colombo, Polytechnic University of Milan
Evila Piva, Politecnico University of Milan
Francesco Renato, Polytechnic University of Valencia
Cristina Rossi Lamastra, Politechnic University of Milan

Grounding on absorptive capacity literature and on attention-based theory of the firm, this paper examines the boundary conditions under which a positive relationship between collaboration with the Open Source software (OSS) community and OSS entrepreneurial ventures’ innovation performance holds. Using a sample of 111 OSS entrepreneurial ventures observed over 4 years, the paper relates their innovation performance to the experience that they have gained in collaborating with the OSS community. Moreover, in the spirit of Laursen and Salter (2006), two novel concepts are defined: depth and breadth of community knowledge leveraging. We find that depth of community knowledge leveraging positively moderates the positive relation between OSS experience and OSS entrepreneurial ventures’ innovation performance. Conversely, breadth of community knowledge leveraging negatively moderates this relation.

How Does Knowledge Maturity Drive Innovation Value? A Contingency Perspective

Antonio Capaldo, Catholic University of the Sacred Heart
Dovev Lavie, Technion-Israel Institute of Technology
Antonio Messeni Petruzzelli, Politecnyc University of Bari

How does the value of a new innovation vary with the maturity of its underlying knowledge? We reconcile the mixed views in the literature by introducing a contingency perspective that underscores knowledge distance along technological and geographical domains and the diffusion of knowledge in the industry. We predict an inverted U-shaped effect of knowledge maturity on the value of new innovations. We further suggest that inventors incorporating geographically distant knowledge can enhance the innovation value of knowledge maturity whereas those incorporating technologically distant knowledge, or waiting for knowledge to become diffused in the industry, mitigate this value. Analysis of 5,575 biotechnology patented inventions offers support for our conjectures. Our study advances research on innovation by revealing some of the micro-foundations of the innovation-knowedge relationship.

Pay or Praise: The Effect of Market and Relational Incentives on Knowledge Exchange and Combination

Marc Lerchennueller, WHU Otto Beisheim School of Management
Ingrid Nembhard, Yale University

Businesses must operate in an era of unprecedented uncertainty. Sustained competitive advantage no longer arises from positioning but from adapting. Adapting requires organizations to create and integrate new knowledge. Prior research suggests these processes hinge upon employee motivation for and perceived efficacy of knowledge exchange and combination. The question naturally arises as to how organizations can positively influence these cognitions to sustain competitive advantage. We examine two types of incentives as antecedents: psychological contracts (relational incentives) and quid-pro-quo contracts (market incentives). We find that the incentives are complements with respect to motivation, while they appear to be substitutes with respect to perceived efficacy. This trade-off provides insights as to how organizations may sustain competitive advantage.

The Impact of Knowledge Domains on Innovation

Jennifer Sexton, West Virginia University
Curtis Sproul, West Virginia University

Domain knowledge has been shown to be essential in the development of expertise and allows firms to better identify solutions to problems within the specific domain, thus potentially leading to innovation. Entrepreneurial knowledge is also tied to innovation. Firms possessing entrepreneurial knowledge may be able to improve existing concepts in new ways or create entirely new concepts. We examine the interactions between established and new domain knowledge and high and low levels of entrepreneurial knowledge and the subsequent impact on the innovative output of firms. Specifically, we examine how differing combinations of domain knowledge and entrepreneurial knowledge can potentially lead to incremental, radical, architectural, and accidental innovations. A 2x2 conceptual model of these interactions and propositions are presented.

SESSION 140

INDIVIDUALS, DECISION-MAKING, AND INNOVATION

Track I, Track O

Date: Monday, Sep 30
Time: 14:00 – 15:15 h
Paper
Room: Hickory Room

Session Chair: Daniella Laureiro-Martinez, ETH Zurich

CEO Turnover and the Vacillation between Exploration and Exploitation

Yoonhee Choi, University of Minnesota
Mary Benner, University of Minnesota

Recently, some management scholars suggest firms to vacillate between exploration and exploitation over time (i.e., temporal ambidexterity) to achieve both short-term profit and long-term growth. Yet it is not well understood when and why firms may transition from one to the other. This paper examines how CEO turnover provides an opportunity for firms to make large shifts from exploration to exploitation, or vice versa. Using data from six different industries, we find that CEO turnover triggers vacillation. We also find some evidence that the influence of CEO turnover is moderated by prior firm performance: when prior performance is poor, CEO turnover has a greater propensity to trigger vacillation. Moreover, we find the direction of change is influenced by investors’ preferences for growth or margin.

Cognitive Flexibility and Strategic Decision-Making: Verbal Protocol Analyses of Leaders and Entrepreneurs

Daniella Laureiro-Martinez, ETH Zurich

Relying on Verbal Protocol Analysis and Temperament and Character Inventory, we look at how expert decision makers reveal their ‘cognitive flexibility’. We find that when facing a complex and ill-structured problem, entrepreneurs not only examine a greater number of alternative solutions than managers, but take also a greater number of decisions and implement most of them in a better way. Also, analyzing the VPA data, we find that entrepreneurs exhibit a greater ability of changing their solutions than managers, but take also a greater number of decisions and implement most of them in a better way. Also, analyzing the VPA data, we find that entrepreneurs exhibit a greater ability of changing their solutions than managers, but take also a greater number of decisions and implement most of them in a better way.
than the managers. Finally, in terms of personality, their behaviour is fostered by a characteristic ‘Persistence’ in the temperament rather than by a ‘Novelty Seeking’ disposition.

**Effective Affect: Leveraging Micro-Mechanisms of Value Creating Solutions to Strategic Problems**

Leif Lundmark, University of Utah

What are the antecedents of heterogeneous value creation and competitive advantage? The strategic management literature identifies knowledge fragments, expectations, perceptions, creativity, and the imagination of possibilities. Affective (emotional) states have been shown to significantly influence the storage, search, and recombination of knowledge elements. Interestingly however, the field of strategic management has largely ignored the moderating cognitive and neurological conditions produced by affect. Building from NK landscapes within the problem-finding problem solving framework this study utilizes neuro-physiological methodologies to disentangle the underlying cognitive processes of positive and negative affect and their influence on the generation of value creating solutions. As such, this study refines current theories of value creation and provides important insights into the practice of strategic management.

**Technological Innovation “Intelligent paper”: R&D director in the Role of a Visionary Pioneer**

Hanna Lehtimaki, University of Eastern Finland
Malla Mattila, University of Tampere

The purpose of this paper is to explore the role of an individual in exploratory technological innovation and to propose that to understand the evolvement and outcome of explorative innovation, attention needs to be paid not only to the challenges of infant technology but to individuals driving the technology development. An empirical study of a technological innovation over a period of 16 years was conducted. The study shows that the continuum to the innovation process over the years has relied on the cognitive and affective commitment of an R&D director. Despite of the repeated failures in manifesting the commercial outcome, the entrepreneurial spirit of the R&D director has ensured the continuous development of the initial innovation still holds significant business potential.

**The Effects of VC and CVC Ownership on Strategic Investment of IPO firms**

Heejin Woo, University of Southern California

Despite extensive studies on the effects of ownership structure on firm strategy, it has not been explored in the young entrepreneurial firm context. While venture capital firms focus on financial returns, corporate venture capital firms, as a strategic investor, are interested more in strategic benefits from their investment. Thus, their ownership effects on startup strategy may vary. Examining 150 VC-backed ventures that went public between 2002 and 2011 in the information technology sector of the U.S. market, I found that CVC ownership is positively associated with R&D intensity in a young entrepreneurial IPO firm and that VC ownership is positively associated with marketing intensity in it. This highlights that ownership structure at the early stage of a startup can significantly influence strategic directions of the firm.

**Venture Capital and Cleantech Entry: Contingent Effects of Environmental Social Norms**

Siddharth Vedula, University of Colorado-Boulder
Jeffrey York, University of Colorado-Boulder

Scholars have studied the influence of institutions on entrepreneurial entry from both sociological (e.g. Aldrich & Fiol, 1994) and economic (e.g. North, 1990) traditions. However, there has traditionally been little cross-pollination between these two streams (Pacheco et al., 2010), and most studies have focused on centralized institutions (e.g. regulations, social movements). We develop an integrative model that investigates whether the efficacy of venture capital availability (a decentralized economic institution) in driving entry into cleantech is moderated by levels of environmental social norms (a decentralized socio-cultural institution). To do so, we create a unique state-level panel database over the years 1998-2007 combining data on environmental entrepreneurship, cleantech investments, and environmental social norms. Our initial results suggest that decentralized economic and socio-cultural institutions have interesting complementary effects.

**When do Venture Capitalists become Board Members in New Ventures?**

H. Dennis Park, Drexel University
Kevin Steensma, University of Washington

We explore factors determining board membership of venture capitalists (VCs) in privately-held entrepreneurial ventures. We find that board membership is determined by the bargaining process between VCs and new ventures and transaction costs in governing those ventures. Specifically, VCs are more likely to become board members in new ventures if they are highly reputable due to the success of their prior new venture investees, whereas VCs are less likely to gain board rights in new ventures with greater barrier power from superior innovation or marketing track records. Moreover, VCs are more likely to become board members when they are co-located with the new ventures, whereas corporate VCs are less likely to become board members due to potential conflicts of interest compared with independent VCs.
**SESSION 24**

**HOW THE PAST AFFECTS THE FUTURE IN STRATEGIC ENTREPRENEURSHIP**

<table>
<thead>
<tr>
<th>TRACK K</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>14:00 – 15:15 h</td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Session Chair</td>
<td>Rasmi Kokash, EMLYON Business School</td>
<td></td>
</tr>
</tbody>
</table>

**Flipping the Entrepreneurial Script: The Impact of CEO Turnover on Firm-level Entrepreneurship**

Matthew Mazzei, Samford University  
K. Ashley Gangloff, Auburn University  
Jeffrey Hornsby, Ball State University

Succession events involving CEOs naturally have an influence in reshaping the strategic orientation of a firm. This study suggests the development of an entrepreneurial orientation (EO) is a prominent outlet for change and a likely response to increasing global competition (and likely diminishing profits) for firms undertaking leadership transition. Moreover, we argue that EO will build over time as the new CEO is able to successfully reorient the organization. Moderating variables of successor experience, organizational structure, and environmental context are also put forth. In all, we seek to provide empirical support of the “cyclical wave” phenomenon regarding EO and, more specifically, the CEO succession-EO relationship. Results will help to better understand how the selection of new management influences the development of firms’ entrepreneurial nature.

**The Co-Creation of Entrepreneurship and the Environment: Cuba and the Cuban Paladares**

Sharon Alvarez, Ohio State University  
William Stromeyer, Ohio State University

Sitting in the charming, eclectic patio of La Cocina de Lilliam in Havana, Cuba, one waits for the traditional Cuban cuisine to arrive. Yet, when the food arrives it is Cuban cuisine with something more. Upon inquiry, it is revealed that the Cuban born chef trained in Paris. How is it that this sophisticated, erudite, privately owned restaurant operates in Havana, Cuba, one of the last planned economies? Using process theory of opportunity creation this paper examines how the iterative process of forming an opportunity simultaneously changes the context in which the opportunity is embedded. Using a case study analysis of the Paladares industry in Havana, Cuba this paper shows how opportunity formation and the context interact with each other in an iterative fashion.

**The Effect of Corporate Entrepreneurship and Organizational Knowledge Creation on Firm Second-Order Competences: Evidence from Knowledge-Intensive Sectors**

Rasmi Kokash, EMLYON Business School  
Zied Guedri, EMLYON Business School

While corporate entrepreneurship (CE) is viewed to influence firm competences, their relationship, along with organizational knowledge creation, remains largely unexplored. Towards that end, this paper examines what and how different CE actions influence various firm second-order competences such as second-order R&D and marketing competences. Informed by literatures of Austrian school of economics, resource based view of the firm, and organization knowledge creation perspective, in our developed model, we propose that firm second-order competences are variously influenced, in part, by different firm-level entrepreneurial activities, and, in part, by different organizational knowledge creation modes. Analysis of data collected from 37 firms, from various knowledge-intensive sectors, using regression modeling, confirms our predicted model.

**SESSION 96**

**CREATING HIGH PERFORMANCE ORGANIZATIONS: LESSONS FROM THE NBA**

<table>
<thead>
<tr>
<th>TRACK L</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>14:00 – 15:15 h</td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Session Chair</td>
<td>David Kryscynski, Brigham Young University</td>
<td></td>
</tr>
</tbody>
</table>

**Leveraging Human Capital Capabilities in the National Basketball Association**

David Boss, Texas A&M University

Extent resource-based-view-related research has focused on studies dealing with aspects of structuring and bundling of resources into capabilities. However, questions remain regarding the theoretical and empirical underpinnings of the leveraging process, particularly as it relates to leveraging human-capital capabilities. Herein, we propose a research study to (1) conceptualize and operationalize organizational human-capital capabilities, (2) explain how these human-capital capabilities are leveraged to execute certain strategies, and (3) examine effects of different leveraging strategies on performance. We will use data from the National Basketball Association to extend our understanding of human capital capabilities within the context of the resource-based view of the firm to provide a foundation for further research.

**NBA On Demand: The Impact of Human Capital on Consumer Willingness to Pay and Competitive Advantage**

Benjamin Campbell, Ohio State University  
David Kryscynski, Brigham Young University  
Russell Coff, University of Wisconsin-Madison

We combine human capital theory with the demand-side perspective in strategy to examine the impact of human assets on the value creation and capture of firm stakeholders. Specifically, we argue that human assets influence consumer willingness to pay and thus are instrumental in the value creation process. We hypothesize that the value created through this process is then split between multiple stakeholders of the firm including consumer, owners, and employees. Additionally, we explore factors that shift value capture across these stakeholders. Using a novel dataset that combines team and player-level data from the NBA with secondary ticket market transactions from StubHub.com, we examine these relationships and demonstrate the importance of the interaction between consumers and human assets in the value creation and value capture process.
Superstars or White Elephants? Retention of Extreme Performers and Firm Performance

Kitty Chiu, INSEAD

Firms acquiring human capital face a fundamental tradeoff: hiring more productive employees creates more value but larger share of it goes to wages, whereas hiring less productive employees retains larger share of less value. Focusing on superstars as extreme performers, I examine how the tradeoff affects firm performance. In imperfect talent markets, superstars can appropriate rents over a period beyond their limits of productivity. When superstars retain more value than they create, they become white elephants that are costly to keep yet cannot be easily discarded. Departing from existing work on the threat of employee turnover, I argue that turnover serves as an important mechanism through which firms avoid being expropriated. Results based on data in professional basketball franchises show that superstar contract length and firm capabilities predict firm performance.

When do Organizations Change Core and Peripheral Human Resources? The Case of National Basketball Association Teams

Sarah Park, University of Bath
Michael Koch, EMILYON Business School
Se Won Park, IE Business School

This paper investigates the relationship between prior firm performance and changes in the human resource portfolio of a firm. Expanding extant research, it examines the evolution of core and peripheral human resources in organizations’ resource portfolio and analyzes how prior performance impacts the reconfiguration of both types of resources. The results extend our understanding of the role of core and peripheral resources in inducing firm heterogeneity.

SESSION 292
MODELS OF ORGANIZATIONS: STAKEHOLDERS, STRATEGY, AND SUSTAINABILITY

TRACK M

Panel Chair
J W Stoelhorst, University of Amsterdam

Panelists
Jennifer J. Griffin, George Washington University
Jeffrey Harrison, University of Richmond
Graham Kenny, Strategic Factors
Richard Priem, Texas Christian University
Charles Williams, Bocconi University

For many directors, managers, consultants and academics there is a disconnection between business strategy and what is often referred to as “stakeholder management.” In the latter, stakeholders appear to be the first and final focus. Is it possible that while such a perspective might suit the needs and language of fields such as public policy, social services, welfare and ethics it is at odds with management’s role and its legal responsibilities in the areas of strategy and organisation sustainability? Does a firm-centric-stakeholder framework for strategy and sustainability better gel with boards, CEOs and senior executives? The purpose of the panel is to investigate these contrasting views on stakeholders and sustainability with a view to resolving the role of the stakeholder construct in sustainability frameworks.

SESSION 15
NETWORKS, CLUSTERS, AND AGGLOMERATION

TRACK N

Paper
Session Chair
Mitchell Koza, Rutgers University

Agglomeration Effects and Alliance Governance
Shivaram Devarakonda, Purdue University
Brian Mc Cann, Vanderbilt University
Jeffrey Reuer, Purdue University

How does collocation of partner firms affect how the partnership is governed? We bring together agglomeration theory and organizational economics to examine the formal administrative control mechanisms (e.g., joint committees) collocated partners design to oversee the partnership. We argue that social relationships and trust engendered by the agglomeration reduce opportunism concerns, and hence the likelihood of formal monitoring and control through joint committees. We also argue that such informal governance agglomeration provides is less efficacious when the transaction conditions escalate the partner firm’s ability and incentives to misappropriate knowledge, as well as the partners’ need to coordinate activities. We focus on contractual R&D partnerships in the biotechnology sector and find support for the hypothesized relationships.

Emergent Equifinality: An Empirical Analysis of Ecosystem Creation Processes
Llewelyn Thomas, Imperial College London
Erikko Autio, Imperial College London

Although industrial organization is increasingly trending towards ecosystem competition, little is known about the processes of ecosystem emergence. We apply institutional theory, event colligation and optimal matching to extract and compare sequences of four types of activities – resource, technological, institutional and contextual – in six successful ecosystem creation cases: Amazon, eBay, Facebook, Google, Salesforce, and Wikipedia. We show that although the emergence process of each ecosystem is unique, there are three common phases of emergence – Initiation, Momentum, and Optimization. Path dependency and equifinality are then demonstrated through decreasing cross-subject similarities for each successive phase.

Informal Managerial Exchange and Formal Inter-Firm Collaboration: A Multilevel Investigation in Biotech
Julia Brennecke, Albert-Ludwigs-University of Freiburg
Irena Schierjott, University of Goettingen
Olaf Rank, University of Freiburg

Drawing on social capital theory, we investigate the link between informal managerial-level and formal organizational-level networks connecting firms and their managers. We theorize that social capital might be conferred between levels, as actors from one level borrow it from actors of the other level. We test our assumptions empirically by applying exponential random graph models to multilevel network data collected in a German biotech cluster. We find that structures emerging at the two levels are intertwined. Informal managerial advice ties seem to influence formal inter-organizational collaboration to the extent that collaboration arises if two managers reciprocally exchange advice – hence organizations seem to borrow social capital from their respective managers. In contrast, non-reciprocated advice at the managerial level does not seem to evoke formal collaboration.

Internal Structure of Innovation Cluster: Stochastic Interdependence in Business-University-Government Alliances
Haruo Horaguchi, Hosei University

A unique social experiment to create knowledge-intensive innovative
clusters, the Knowledge-Cluster Initiative was performed in Japan. It is a policy-experiment of business-university-government alliance. By extending the conceptual framework of population ecology a new theoretical foundation is developed. Commensalism, Parasitism, and Amensalism are derived as new concepts to reinforce the traditional dichotomy of competition and cooperation. Multiple Poisson regressions reveal that new venture firms act as input rather than output among the interdependence of variables for business-university-government alliance. The venture firms have positive effects to increase academic papers, the number of prototypes for trials, and sales with newly developed products. Although the Knowledge-Cluster Initiative aimed to promote new venture spin-outs from the university, academic papers or prototypes are not shown to be the source of new venture firms. In this venture creation process, the academia benefits from the new venture firms to increase patents, papers, trials and products.

SESSION 16

FORMATION, EVOLUTION, AND PERFORMANCE OF ALLIANCES

<table>
<thead>
<tr>
<th>TRACK N</th>
<th>Date</th>
<th>Time</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monday, Sep 30</td>
<td>14:00 – 15:15</td>
<td>Walnut Room</td>
</tr>
</tbody>
</table>

SESSION Chair | Olga Bruijaka, Virginia Tech

A Model of International Partnership Formation and Performance

Bernadine Dykes, University of Delaware
Charles Stevens, Lehigh University

We use institutional theory and resource dependency theory to develop and test a model of international business partnership formation and performance. We contend our model portrays a more complete perspective on global business arrangements. We test our hypotheses on a sample of project-based investments across forty-eight countries. Our findings contribute to the literatures on international inter-organizational relationships and the interplay between institutional environments and firm dependencies.

Discerning the Balance between Need and Complexity on the Effects of Forming Alliances Earlier

David Gomulya, Nanyang Technological University

This study examines how the characteristics of a firm, an alliance, and an alliance partner can moderate the effect of timing of alliance formation. Given the very limited research on alliance timing, despite several calls regarding its importance, we start by outlining the dilemma of forming alliances earlier. That is, should a venture form alliances earlier and reap any potential benefits sooner, or should it wait longer and take time to understand itself, potential partners, and environment better? We use a need-complexity framework to answer this question. We test our hypotheses using longitudinal data of newly public Internet ventures. We show how a larger portfolio of existing alliances, more complex alliances, and more powerful partners exacerbate the disadvantages of forming alliances earlier while founders’ experience mitigate such disadvantages especially when the alliances are simpler.

Partnering with Big Pharma: Accounting for Bargaining Power of New Biotech Firms

Rajat Khanna, University of North Carolina-Chapel Hill
Alessandra Rebeka, University of North Carolina-Chapel Hill

With this study, we join theoretical discussion on alliance formation. In the context of alliances between young biotechnology firms and large pharmaceutical companies, we propose to consider two additional factors that could influence the likelihood of alliance. First, the origin of a pharmaceutical firm may affect its relative attractiveness as a partner to a biotechnology firm due to cross-country differences in institutional environments. Second, young biotechnology firms may differ in the level of their bargaining power, owing it to factors such as stage of product development, experience with alliances, and academic ties. Through empirical analysis, we intend to demonstrate that ability of a biotechnology firm to apply discretion in selecting a partner is contingent upon the amount of bargaining power a biotechnology firm has.

Reinforcing Cycles of Cooperation and Coordination in Interorganizational Relationships

Nuno Oliveira, London School of Economics and Political Science
Fabrice Lumineau, Purdue University

Cooperation and coordination are critical dimensions to attain effectiveness in interorganizational collaboration. However, little is known about how these dimensions interact with the structural properties of interorganizational relationships and influence effectiveness. We address this issue through a longitudinal multiple-case study of seven independent social housing building projects. Our data analysis integrates extensive qualitative research with mapping techniques of the interorganizational relationships over time. We uncover that the influence of cooperation and coordination on effectiveness occurs through two reinforcing cycles: cooperation cycles and coordination cycles. Furthermore, the sequence of reinforcing cycles explains differences of effectiveness in interorganizational relationships. Our main contribution is to unravel the theoretical mechanisms that underpin effectiveness of interorganizational relationships. This study provides several implications for management practice of interorganizational collaborations.

SESSION 55

I FEEL FINE: CEOs AND RISK-TAKING

<table>
<thead>
<tr>
<th>TRACK O</th>
<th>Date</th>
<th>Time</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monday, Sep 30</td>
<td>14:00 – 15:15</td>
<td>Cottonwood Room AB</td>
</tr>
</tbody>
</table>

Facilitator | Robert Wiseman, Michigan State University

Do CEOs Matter? CEO Tenure Effects on Firm Innovation and Stock Market Performance

Mengge Li, University of Houston
Donald Hatfield, Virginia Tech
Laura B. Cardinal, University of Houston

Drawing upon upper echelons theory, the relationships between CEO tenure and firm invention, firm innovation, and stock market performance is investigated. Further, the moderating effects of managerial discretion were also explored. Based on a sample of 89 pharmaceutical firms from 1975-2000, the results show that CEO tenure has an inverted U-shaped relationship with firm invention, and managerial discretion moderates this relationship; The relationship between CEO tenure and firm innovation is negative; managerial discretion does not moderate this relationship but instead has a direct negative relationship with firm innovation; and CEO tenure has no main effects on firm stock market performance, but managerial discretion has a direct negative effect.

How Founder CEOs Affect Firm Risk Taking: An Executive Job Demands Perspective

Jiatao Li, Hong Kong University of Science and Technology
Yi Tang, Hong Kong Polytechnic University

Grounded in the upper echelons theory, firm risk taking literature, and executive job demands perspective, this study proposes that CEOs of firms who are also the firms’ founders tend to take more risks than their industry peers as such CEOs tend to be more “overconfident”. We further suggest that the positive relationship between CEO-founder status and firm risk taking strengthens when the CEOs face greater executive job demands. Using a large survey data set on Chinese CEOs, our theoretical predictions are largely supported. Implications to the strategic management research in general and the upper echelons theory in particular are discussed.
Behavioral Theories of Entrepreneurial Success

Beyond Deliberate Cognition: Automatic Responses to Environmental Disruption and Strategic Change

Philip Roundy, University of Texas-Austin
David Harrison, University of Texas Austin
Susanna Khavul, University of Texas-Arlington
Liliana Perez-Nordtvedt, University of Texas-Arlington
Jeffrey McGee, University of Texas-Arlington

When environments change, executives often respond by taking strategic action. Prior research has emphasized a process in which information is collected and analyzed in a purposive fashion, which we label strategic information processing (SIP). We challenge the deliberateness that SIP implies and offer that non-deliberate cognition can also prompt strategic action during change. In a longitudinal field study of 650 firms experiencing a significant environmental disruption, we examine the influence of entrepreneurial alertness on decision makers’ responses. We find a direct effect of alertness on action and firm performance in the presence of influences of SIP. Moreover, the impact of alertness on action is strengthened when perceived uncertainty is high. We demonstrate that strategic decision makers take multiple pathways – deliberate and non-deliberate – when heeding change.

Boundary Frustration and Innovation

Tiona Zuzul, Harvard University

This paper examines collaboration between individuals working on innovation projects. Through a qualitative study of large-scale innovation projects in sustainable urban development, I introduce the concept of boundary frustration – a feeling of being upset or annoyed in the midst of exchanges where boundaries are salient – and identify it as a critical impediment to innovation. Boundary frustration begins when differences result in divergent interpretations of each project. Divergent interpretations result in a set of exchanges that give rise to strong feelings of frustration. Over time, boundary frustration leads to maladaptive cognitive and behavioral responses, as differences become perceived as insurmountable barriers that impede innovation. By unearthing this process, this paper adds to the literature on emotion and cognition in cross-boundary collaboration and innovation.

Plausible, Yet Unpredictable: The Effects Of Comprehensibility On Entrepreneurial Success

Goran Calic, Purdue University
Elaine Mosakowski, Purdue University

Institutional theory assigns cognitive legitimacy to accounts that are predictable and plausible or, in other words, comprehensible. This observation suggests that legitimacy is at least partly based on cognition, and not only normative and evaluative claims. For nascent entrepreneurs, gaining comprehensibility is a daunting task. They must integrate their activities under the umbrella of pre-existing norms and disentangle new activities from pre-existing regimes, lest their efforts appear marginal. Using socio-cognitive theory on a dataset of online funded technology projects, we demonstrate that although implausibility negatively moderates legitimacy, unpredictability does not. In fact, our findings indicate that unpredictable projects are more likely to reach their funding goals. Additionally, our findings indicate that technology projects that aim to alleviate environmental ills receive a greater level of support.
The Effects of Loss Aversion, Risk-Taking Propensity, and Outcome Timing on Entrepreneurs’ Opportunity Exploitation Decisions

Michael Holmes, Florida State University
Trey Sutton, Florida State University

We consider how possible tax policy changes influence entrepreneurs’ willingness to exploit opportunities. Drawing on prospect theory’s concept of loss aversion, which suggests that losses engender greater displeasure than the pleasure equivalent gains engender, we examine the role of tax credits (which provide additional revenue) and tax penalties (which have the opposite effect) on entrepreneurs’ preferences. In addition, addressing two areas in which prospect theory is silent, we consider how individual differences across entrepreneurs (i.e., risk-taking propensity) and the timing of the tax credits and tax penalties shape the entrepreneurs’ preferences. The work contributes to theory on entrepreneurs’ opportunity exploitation decisions, addresses two boundary conditions of prospect theory, and is among the first studies to examine how the timing of outcomes affect entrepreneurs’ preferences.

### SESSION 69

**INCENTIVES, CONTROL, AND RESOURCES TO ACHIEVE SUSTAINABILITY**

<table>
<thead>
<tr>
<th>TRACK A&amp;B</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>14:00 – 15:15 h</td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td>Dogwood Room B</td>
<td></td>
</tr>
<tr>
<td>Session Chair</td>
<td>Tyson Mackey, California Polytechnic State University</td>
<td></td>
</tr>
</tbody>
</table>

**On the Hostile Takeover of Socially Irresponsible Firms**

Tyson Mackey, California Polytechnic State University
Alison Mackey, California Polytechnic State University
Jason Lepore, California Polytechnic Institute

This paper introduces a theoretical model of the conditions under which punishing the managers of socially irresponsible firms through acquisition is more effective in inducing social change than rewarding the managers of socially responsible firms by investing in the firms they manage. In the presence of a takeover threat by a socially responsible investor, depending on the strength of outside employment opportunities, managers’ desire to retain their employment leads them to increase their firms’ socially responsible behavior.

**Organizational Control during Times of Strategic Renewal towards Sustainability**

Annelies Bobelyn, Erasmus University-Rotterdam
Serge Rijndijk, Erasmus University-Rotterdam
Jan Van den Ende, Erasmus University-Rotterdam

The objective of the present study is to investigate which control mechanisms are most appropriate to foster this process of strategic change towards sustainability and to help the company to implement its sustainability strategy through the development of sustainable products. In addition, we study the moderating effect of previous product strategies as they might still affect the development of new products because of resistance to change. The results indicate that the groups in the process control condition obtain the highest sustainability performance, followed by the groups in the output control condition and finally the groups receiving clan control. We further find that a cost orientation indeed weakens the impact of the control mechanisms.

**Outsourcing and Sustainable Innovation: The Moderating Effect of Flexibility and Supply Chain Technology**

Dmitry Zaytsev, St. Petersburg University
Oli Mihalache, VU University Amsterdam

Despite the increasing customer-demand for sustainable products, there is limited research about the factors that help firms introduce more environmentally-friendly products. We propose that outsourcing can stimulate the introduction of sustainable innovation development in two ways. First, by outsourcing knowledge intensive processes, firms can get the benefit of outside expertise, essentially making up for their capabilities deficiencies. Second, by outsourcing less intensive processes, firms can focus attention and resources on knowledge-generating activities that can develop greener products. In addition, we move beyond main effects by proposing that these relationships care stronger when firms use flexibility as the main strategy for selecting outsourcing partners and when they employ supply chain technology development. Empirical testing on a sample of 819 Russian firms largely supports our hypotheses.

**The Environmental Consequences of (Un)Divided Property Rights**

R. Ryan Raffety, Richard Ivey School of Business
Oana Branzei, University of Western Ontario

We explain an underexplored but systematic source of variation in two aspects of facility-level environmental performance - hazardous emissions and recycling. We examine the internal allocation of property rights under different legal liability regimes by differentiating between two types of incentives: internal incentives arising from property rights partitioning and external incentives arising from the legally enforceable consequences of hazardous emissions. We test both mechanisms by combining a matched pair quasi-experimental design that enables us to contrast independent and joint-venture facilities with a nested natural experiment that compares two legal liability regimes. We find that increasingly divided property rights systematically increase emissions and decrease recycling. Once we partial out the effect of such internal incentives, however, external incentives do not explain further variance in environmental outcomes.
What Can We Do with Business Models: The Sustainability of Firms and the Community?

Session Chair
Charles Baden-Fuller, City University London

Panelists
- Ramon Casadesus-Masanell, Harvard University
- Ian MacMillan, University of Pennsylvania
- Anita McGahan, University of Toronto

There have been many discussions on “what are business models”; in contrast we focus on what can be done with business models and how they can create insight into issues of sustainability of firms and of communities. Taking seriously the idea that business models are “models” that can be manipulated, the panel will examine how this concept leads to better understand of competitive dynamics between complex business models especially in the ever changing digital space. It will also examine how managers can think more effectively using business models, to generate wealth for sustainable societal impact, and to cope with the need for change and create competitive opportunities. We will explore the practice and research agenda, leaving time for audience interactions.

Charles Baden-Fuller is known for his strategy research and assistance to companies. He has established a reputation on the rejuvenation of mature firms through his work with CEO’s, his academic articles and his (co-authored) Harvard Business Press “Rejuvenating the Mature Business”. He currently works on issues of knowledge management and entrepreneurship in high technology firms, including the practical use of real options and alliance structures. Professor Baden-Fuller holds degrees in Mathematics and Economics from Oxford, Cornell, and London Business School of Economics. He has worked at Chase Manhattan in New York, the London Business School and the University of Bath. He has combined this with visiting positions at the Universities of Bologna and Katholieke (Belgium), Erasmus Rotterdam, Duke, Berkeley, and Wharton in the US. Charles Baden-Fuller is also the Editor-in-chief of Long Range Planning, a leading international strategy, since 1999.

Ramon Casadesus-Masanell joined the Harvard Business School faculty in 2000. He has taught the required MBA Strategy course, an elective course on Competing Business Models, and Ph.D. courses on Strategy and Game Theory. He also teaches in Executive Education programs. Ramon Casadesus-Masanell received his Ph.D. in Managerial Economics and Strategy from the Kellogg Graduate School of Management, Northwestern University. Ramon Casadesus-Masanell’s fields of specialization are management strategy, managerial economics, and industrial organization. Ramon Casadesus-Masanell studies strategic interaction between organizations that operate different business models. He is also interested in the limits to contracting and the role of trust for management strategy. He has published in Management Science, the Journal of Economics & Management Strategy, the Academy of Management Review, Long Range Planning, the Journal of Law & Economics, the Journal of Economic Theory, the USC Interdisciplinary Law Journal, ABANTE Studies in Business Management, and the Harvard Business Review, among others.

Anita McGahan is Associate Dean of Research, Director of the PhD Programs, Rotman Chair in Management, and Professor of Strategic Management at the Rotman School of Management at the University of Toronto. She is also cross appointed to the Munk School of Public Affairs at the University. In addition, Anita McGahan is a Senior Associate at the Institute for Strategy and Competitiveness at Harvard University, the Chief Economist at the Massachusetts General Hospital Division for Global Health and Human Rights, and a past president of the Academy of Management’s Business Policy & Strategy Division. Anita McGahan holds an MBA from the Harvard Business School, where she received highest academic honors as a Baker Scholar, and a BA from Northwestern University, where she was elected to Phi Beta Kappa. She also spent several years at both McKinsey & Company and Morgan Stanley & Company. Anita McGahan’s research has focused on models of industry evolution and the evolution of competitive advantage. She is currently pursuing a long-standing interest in the inception of new industries, and in the implications for comparative advantage and international development particularly in global health.
SESSION 63

PLENARY TRACK

<table>
<thead>
<tr>
<th>TRACK Q</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>15:30 – 16:30</td>
<td>h</td>
</tr>
<tr>
<td>Showcase Panel</td>
<td>Room</td>
<td>Dogwood Room B</td>
</tr>
</tbody>
</table>

Maintaining the Legitimacy, Differentiation, and Mobilization of Strategic Management

Session Chair
Jerayr Haleblian, University of Georgia

Panelists
Jay Barney, University of Utah
Ming-Jer Chen, University of Virginia
Michael A. Hitt, Texas A&M University
Joseph Mahoney, University of Illinois-Urbana Champaign
Margaret Peteraf, Dartmouth College

The panel will be organized as a discussion forum surrounding a number of pertinent questions. Questions for the session participants might include: If we assume that strategic management has achieved the status of an academic field, what should strategic management scholars do to help maintain and strengthen field status? If we were to make an assessment, how is strategic management doing along these lines? What threats are we facing as a field? Are there opportunities to strengthen our position that we need to better exploit?

Jerayr Haleblian is an Associate Professor of Management at the University of Georgia. He received his Ph.D. from the University of Southern California. His research focuses on strategic decisions and their performance outcomes in the context of mergers and acquisitions. He has also done work on the influence of boards of directors on CEO selection and firm oversight. His research has been published in Administrative Science Quarterly, Academy of Management Journal, Strategic Management Journal, and Organization Science. His research on mergers and acquisitions has been abstracted in the New York Times, The Economist, and Business Week. He presently serves on the Editorial Board of the Academy of Management Journal, and the Strategic Management Journal.

Jay Barney is a Presidential Professor of Strategic Management and Pierre Lassonde Chair of Social Entrepreneurship at the University of Utah. He previously served as the Professor of Management and held the Chase Chair for Excellence in Corporate Strategy at the Max M. Fisher College of Business, The Ohio State University. His research focuses on the relationship between costly-to-copy firm skills and capabilities and sustained competitive advantage. He is an associate editor for the Journal of Management and senior editor for Organization Science and has been published in numerous leading publications. In addition to his teaching and research, he presents executive training programs throughout the US and Europe. His consulting work focuses on large-scale organizational change and strategic analysis. Jay Barney is an SMS Fellow as well as a fellow of the Academy of Management.

Ming-Jer Chen is the Leslie Grayson Professor at University of Virginia’s Darden School of Business. A pioneer in competitive dynamics and ambicultural management, he has written two books and published in Academy of Management Review (AMR) and Strategic Management Journal (SMJ), among others. He has received numerous awards including the AMR (1996) and Journal of Management Inquiry (2008) Best Paper Awards. A Fellow and President of the Academy of Management and Fellow of the Strategic Management Society, he has served as AMR’s associate editor and chair of the Academy’s Business Policy and Strategy Division. Before Darden, he was on the faculties of Columbia and Wharton/Penn. He has held honorable or visiting appointments at universities in China, Taiwan, Hong Kong, and Singapore.

Michael A. Hitt is a Distinguished Professor and holds the Joe B. Foster Chair in Business Leadership at Texas A&M University. He has authored or co-authored many journal articles published in leading journals such as the Strategic Management Journal, Academy of Management Journal, Academy of Management Review, Organization Science, Journal of Applied Psychology, among others.

Mike Hitt is a Founding Editor of the SEI, a former editor of the Academy of Management Journal, and former president of the Academy of Management. His involvement in the SMS runs deep with recently serving as the President of the SMS. He is a member of the SMS Fellows and is the former Deputy Dean of this organization. He has received awards from the American Society of Competitiveness for Outstanding Academic Contributions (1996) and Outstanding Intellectual Contributions (1999) to Competitiveness.

Joseph T. Mahoney earned his BA, MA, and Ph.D. from the University of Pennsylvania, with a doctorate in Business Economics from Wharton. He joined the College of Business of the University of Illinois at Urbana-Champaign in 1988, and is Caterpillar Chair in Business, and Director of Graduate Studies. His research interest is organizational economics, which includes: the behavioral theory of the firm, resource-based, transaction costs, real-options, property rights, stakeholder and agency theory. Joe Mahoney has published numerous articles which have been cited in print over 6,000 times from scholars in 65 countries. His 2005 Sage book, Economic Foundations of Strategy, has been adopted by over 30 doctoral programs. Currently, he is an Associate Editor of Strategic Management Journal and serves on editorial boards for Journal of Business Research, Journal of Management, Journal of Management Studies, International Journal of Strategic Change Management and Strategic Organization.

Margaret Peteraf is the Leon E. Williams Professor of Management at the Tuck School of Business at Dartmouth. She is a member of the SMS Fellows Group and has served as Chair of the Competitive Strategy Interest Group. She has also served on the Academy of Management’s Board of Governors, is a past Chair of the BPS Division of the Academy, and is presently on 9 editorial boards, including the Strategic Management Journal, the Academy of Management Review, and Organization Science. She is best known for her work on strategic group identity, the resource-based view, and dynamic capabilities. Her 1993 SMJ paper, “The Cornerstones of Competitive Advantage: A Resource-Based View”, won the Dan and Mary Lou Schendel Best Paper Prize in 1999 for its contribution toward the development of the strategic management field.
SESSION 66
PLENARY TRACK

A Conversation with the Editors of the SMS Journals about the Future of Research and Publication in our Field

Session Chair
Edward Zajac, Northwestern University

Panelists
Alfonso Gambardella, Bocconi University
Constance Helfat, Dartmouth College
Torben Pedersen, Copenhagen Business School
Mike Wright, Imperial College London

Moderated by Ed Zajac, long-time editor of SMJ, editors from the three journals in the SMS family will discuss opportunities for new research directions in the joint field of strategy research. This will be an open discussion among the panelists and with the audience. The discussion will be an opportunity to engage with the new editors of SMJ along with the leadership of SEJ and GSJ.

Ed Zajac is the James F. Beré Professor of Management and Organizations at the Kellogg School of Management, Northwestern University. He is an elected Fellow of both the Academy of Management and the Strategic Management Society. Ed Zajac’s research, teaching, and consulting focuses on strategic change, alliances, and corporate governance. He has been recognized as one of the “most highly cited researchers” worldwide in the Institute of Scientific Information’s yearly list of highly cited researchers (representing less than one-half of one percent of all published researchers). This year he received the Distinguished Scholar Award from the Organization and Management Theory Division of the Academy of Management, and he was also recently awarded an honorary doctorate from the Free University of Berlin. He served for many years as Co-Editor of the Strategic Management Journal.

Alfonso Gambardella (PhD, Stanford 1991) is Professor of Corporate Management at Bocconi University, where he is also Dean of the PhD Programs. His research focuses on business strategy with emphasis on technology, innovation, industry structure and competition. He published several books and articles in a wide range of Journals. His MIT Press book Markets for Technology (with Ashish Arora and Andrea Fosfuri) is widely cited. He is Editor of the European Management Review, and serves on the Editorial Board of Strategic Management Journal, Academy of Management Review, Global Strategy Journal, along with other journals.

Constance E. Helfat is J. Brian Quinn Professor in Technology and Strategy at the Tuck School of Business at Dartmouth. She is known for her research on firm capabilities (including dynamic capabilities), technological innovation, and managerial resources. Constance Helfat has published widely in leading academic journals, and has written and edited three academic books. She is a member of the Strategic Management Society Fellows Group. In addition, Constance Helfat has extensive editorial experience. She has served as an associate editor of the Strategic Management Journal, Management Science, and the forthcoming Palgrave Encyclopedia of Strategic Management. She also has edited two journal special issues at Strategic Management Journal and Organization Science, and has served on the editorial boards of several journals. Constance Helfat received her undergraduate degree from the University of California, Berkeley and her Ph.D. from Yale University.

Torben Pedersen is Professor of International Business at the Copenhagen Business School’s Center for Strategic Management and Globalization. He has published over 60 articles and books concerning managerial and strategic aspects of globalization. His research has appeared in prominent journals such as SMJ, Journal of International Business Studies, and Journal of Corporate Finance. His research interests are located at the interface between strategy, institutional economics and international business. His latest book, Managing Global Offshoring Strategies – A Case Approach, has been well received among academics, students and practitioners. He is an editorial board member of multiple journals, including SMJ, Journal of International Management and International Business Review. He has been a visiting scholar in Australia (UNSW), Italy (Bocconi University and Padova University), New Zealand (Auckland University), Sweden (Gothenburg University) and USA (Stanford University). He was 2009 AIB Program chair and is currently Vice President for AIB and Vice Chairman of EIBA.

Mike Wright is Professor of Entrepreneurship at Imperial College Business School and Director of the Centre for Management Buyout Research which was founded in 1986. Previously he was Professor of Financial Studies at Nottingham University Business School since 1989. He has written over 40 books and more than 300 papers in academic and professional journals on management buy-outs, venture capital, habitual entrepreneurs, academic entrepreneurs, and related topics. He served two terms as an editor of Entrepreneurship Theory and Practice (1994-99), was a joint editor of the Journal of Management Studies until 2009 and is editor elect of the Strategic Entrepreneurship Journal. He is a member of the BVCA Research Advisory Board. He holds an honorary doctorate from the University of Ghent and was recently ranked #1 worldwide for publications in academic entrepreneurship.
HAS SUSTAINABILITY EARNED A PERMANENT PLACE ON THE STRATEGIC AGENDA?

Session Chair
Timo Santalainen, Aalto University

Panelists
Robert W. Black, Kimberly-Clark Corporation
Robert Eccles, Harvard Business School
Holger Rubel, Boston Consulting Group

This panel aims to tackle the theme of this year’s Strategic Management Conference “Strategy and Sustainability” by discussing whether sustainability has earned a permanent place on the Strategic Agenda. Almost all companies claim that sustainability is a top priority and maintaining the conditions required to sustain performance is self-evidently important. However, much ambiguity remains when it comes to definitions, methods, materiality of impact and whether companies are really affording sustainability the priority which they claim. To explore this question, we will first share some insights from our research based on a 4,000+ response survey, conducted in collaboration with MIT Sloan Management Review, into the managerial reality of sustainability. Then we will facilitate a panel discussion in which we are joined by both Robert Eccles from the Harvard Business School and a practitioner to explore the extent to which sustainability is, could and should be part of the Strategic Agenda.

Robert G. Eccles first joined the Harvard Business School faculty in 1979 and received tenure in 1989. He left in 1993 to work in the private sector rejoined HBS in 2007 where he is now a Professor of Management Practice. Right after receiving tenure, Robert Eccles started doing research on corporate reporting, a topic which remains of great interest to him from a research, managerial practice, and public policy perspective and on which he has written three leading edge books. Since 2010 he and his colleague George Serafeim have been engaged in an extensive research program on innovating for sustainability. At HBS they teach MBA and executive education courses on this project, as well as a doctoral seminar on “The Role of the Corporation in Society.” Furthermore they are involved in various Sustainability assignments, including research on Intensive Seminar Integrating Business and Design for Sustainability and Management Topics in Sustainability and Design. Robert Eccles and George Serafeim are the co-founders of the Innovating for Sustainability social movement. Robert Eccles is also a member of the Steering Committee of the International Integrated Reporting Council (IIRC) and the Chairman of the Sustainability Accounting Standards Board (SASB).

Holger Rubel joined the Frankfurt office of The Boston Consulting Group in 1997. He is the Global Head of BCG’s Green Energy and Sustainability Sectors, and he is a core member of BCG’s internal Practice Areas Industrial Goods, Energy and Strategy. In his role as sector leader Holger Rubel both advises clients on sustainability and corporate social responsibility topics, and oversees and coordinates the topics and topic leaders for solar energy, wind energy, energy storage, biomass-biofuels, energy efficiency and carbon related issues. He studied physics and mathematics at Heidelberg University and University of Cambridge, UK, has an M. Phil Degree from Cambridge and a Doctorate in semiconductor technology from the Max Planck Institute in Stuttgart.
SESSION 249
EXCELLENCE IN TEACHING

Teaching Strategy
Session Chair
Jay Dial, Ohio State University
This session will revisit some fundamental principles for teaching strategy effectively. It is designed for junior faculty and doctoral students who are working on developing this critical competency. Our primary emphasis will be on tools and techniques for helping students (undergraduate and graduate, but not executive) grasp the complex and interdependent concepts that underlie a core strategy curriculum.

SESSION 112
SOCIAL DIMENSION AND ORGANIZATIONAL CONTEXT

Doing Well by Doing Good Together: A Survival Model of Firm-NGO Collaboration
Frederic Dalsace, HEC-Paris
Nicola Dragonetti, HEC-Paris
Clemence Patureau, HEC-Paris

Partnerships between NGOs and firms are becoming more and more important, but we still have no specific model to analyse them. Starting from the assumption that partners will stay involved for intrinsic reasons (because they agree with the goals of the project), or for extrinsic ones (because they believe their payoffs will be higher than their contribution), we look at the evolution of a partnership through several stages. We examine the resources involved (physical and financial, knowledge assets, reputation) as well as the institutional logic of the team and the parent organisation to draw propositions concerning the survival of the partnership.

Social Sustainability Issues: Challenges for the Extractive Industry
Vrushal Khade, France Business School, Tours, France
Richard Soparnot, ESCEM - School of Business and Management

The benefits of pursuing sustainable practices are well documented and number of sustainable strategies aimed at achieving competitive advantage have been investigated. This literature review aims to examine social sustainable strategies in extractive industry and whether they lead to the good of the society by measuring poverty levels of indigenous people. The social dimension of sustainable development is an overlooked topic and scientific literature studying the impact of sustainable competitive strategy on poverty reduction amongst indigenous people is negligent. Literature review reveals that social sustainable strategies have a positive impact in Asia, a negligible or zero impact in Africa and a downward, negative impact in Latin America.

What Happens When the Honeymoon Is Over? The Limited Effect of Impression Management Following Controversial Disruptions
Luis Gomez-Mejia, Arizona State University
Jordi Surroca Aguilar, Carlos III University of Madrid
Josep Antoni Tribó, Carlos III University of Madrid

A central claim of this study is that symbolic actions related to the social responsible commitment of an organization (cheap social talk) may be effective in the short term but when these actions are not accompanied with tangible social responsible initiatives, the initial benefits turns out to be negative in the long term. In particular, we show that cheap social talk increases firms’ legitimacy and stock returns while reduces CEO turnover in the short term, but these effects are reversed in the long term if cheap social talk is no accompanied with tangible social responsible actions. Our theoretical contentions are empirically supported using a panel data of 139 industrial firms from 17 different countries for the period 2003-2008.

Whither Our Future Global Managers? The Moderating Effect of Organization Context on Ethical Intent in International Business
Elizabeth Alexander, University of the West of England

This paper examines how proximal versus distal effects in an organization setting prevail as moderating influences on ethical judgments and intentions. The paper proposes three dimensions of ethical decision-making in international business (moral equity, contractualism and relativism) differentially affect the intention to act depending on the presence of moderating factors. Findings from an exercise of working adults reveal that, despite having an international orientation, faced with an ethical dilemma, individuals with low moral equity judgments are more likely to be concerned with the proximate effects of the decision on themselves; the potential breach of a firm’s implied social contract is sanctioned when the potential for the firm to benefit is high; and conformance to industry norms can overpower considerations of local acceptability of unethical practices.

SESSION 199
MEASUREMENT ISSUES AND METHODOLOGICAL CONCERNS

A Real Options Approach to Strategic Risk
Margaret Hughes-Morgan, Marquette University
Glenn Hodges, Michigan State University

Borrowed from the field of finance, real options analysis has become pervasive in the strategy literature. The purpose of this study is twofold. First, we suggest that strategy scholars have strayed too far from the principles of financial theory by erroneous use of performance measures that are ex-post rather than ex-ante (expected) performance and suggest assigned stock risk as an alternative. Second, previous analysis has captured only one side of the real options equation – the buyer of the option. This paper provides initial empirical investigation of the risk premium assigned by investors to firms on the both sides of the equation – the buyer and the seller of the option.

Construct Measurement in Strategic Management Studies: Formative versus Reflective Indicators
Brian Boyd, City University of Hong Kong
Katalin Takacs Haynes, University of Delaware
Herman Aguinis, Indiana University

Construct measurement is an important, yet under-emphasized aspect of strategic management research. Historically, most concepts in strategic management have been measured with single indicators; additionally, topics such as reliability and validity have often been ignored. These practices have been found to negatively affect research outcomes. For studies which use multiple measures, there is a key distinction in the connection between concepts and indicators – i.e., does the construct drive the indicator, or vice versa? This distinction is widely discussed.
in other management specialties and related fields, but largely absent from strategic management research. We explore the issues related to the choice between reflective and formative indicators. Additionally, we survey SMJ Editorial Board members for their views. Recommendations for future studies are then discussed.

Do Not Let It Happen: Compromised Statistical Tests and Flawed Theories

Nufer Yasin Ates, Erasmus University-Rotterdam

Repeated tests and resultant reporting of statistical significance when it is actually not present seriously threatens the base of empirically tested theory. Bettis (2012) raised awareness about the severity of “the search for asterisks” for the future of strategic management research. In this study, we complement and response to Bettis by further elucidating the causes of the issue, and proposing methodological and theoretical remedies for the problem. Finally, we recommend strategies for the institutionalization of repeated testing procedures which will also lessen the publication bias against replications and non-results, and eventually lead to better and more truthful strategic management theories.

Do Statistical Myths and Urban Legends Matter for the Sustainability of Strategy Research

Donald Bergh, University of Denver
Robert Vandenberg, University of Georgia
Ming Li, ESC Rennes School of Business
Barton Sharp, Northern Illinois University

Statistical and methodological myths and urban legends (MULs) are perpetuated truisms which in reality are not true. In the present study, we test whether an MUL associated with using hierarchical linear regression analysis to test moderation can lead to differences in findings, influence conclusions and possibly shape the sustainability of our field’s knowledge base. We address two questions in particular: (1) Did strategy scholars employing hierarchical linear regression interpret and make conclusions regarding main effect coefficients separately from significant interaction terms and (2) would the findings change if such an interpretation would have been made jointly with significant interactions? Based on a content analysis of SMJ articles, we find that MULs are present with respect to testing moderation and that they could adversely influence results and proposed implications for theory and knowledge development.

SESSION 86

COMPETITIVE STRUCTURES & NETWORKS

<table>
<thead>
<tr>
<th>TRACK E</th>
<th>Date</th>
<th>Time</th>
<th>Paper</th>
<th>Room</th>
<th>Session Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monday, Sep 30</td>
<td>17:00 – 18:15 h</td>
<td></td>
<td>Int’l Ballroom B</td>
<td>Amir Sasson, BI Norwegian Business School</td>
</tr>
</tbody>
</table>

Coopetitive Networks, Competitive Behavior, and Market Performance

Frédéric Le Roy, University of Montpellier
Famara Hyacinthe Sanou, University of Montpellier

This research explores the relationship between the position of firms in coopetitive networks, their competitive behaviors and performances. The field of study is the mobile telephony industry. All the firms in this industry have been studied over the period 2000-2006. The method used is structured content analysis. The results show that centrality in coopetitive networks has a direct impact on performance. They also show that the central position in a coopetitive network has a direct impact on competitive aggressive behavior. Finally, they show that competitive aggressive behavior has a direct impact on performance. Generally, these results show that for a firm to perform well in a coopetitive network involves being both cooperative and aggressive.

Puppets Fight As Puppet Masters Wish: The Influence of Shareholder Overlap on Interfirm Rivalry

Junichi Yamanoi, Chuo University

If two competing firms receive investments from the same large shareholders, how do they compete? From the viewpoint of competitive dynamics and agency theory, I investigate the impact of overlapping shareholders of two competing firms on their competitive behavior. The overlapping shareholders of two competing firms will attempt to reduce the intensity level of their competitive activity because they can increase economic surpluses from the competing firms by intentionally creating tacit collusion. Accordingly, competitive actions between two competing firms will become less intensive as their overlapping shareholders acquire more power over the firms. By using data on pairs of leaders and challengers in 13 Japanese industries in which the leaders and challengers have engaged in lasting head-to-head competition, I found general support for the hypotheses.

Reconfiguring Forces

Amir Sasson, BI Norwegian Business School

The widely influential contribution that attempts at identifying the key structural features of industries that determine the strength of the competitive forces and hence industry profitability has received only moderate empirical support. Academic attention has shifted elsewhere while the contribution is being regarded as an axiom. Using recently available detailed input-output tables of the U.S. economy over a 15-years period, this research replicates and extends previous market structure research in strategic management (the five forces) and sociology (network constraint). It fills a void in strategic management research and specifies a boundary condition by both arguing theoretically and demonstrating empirically how the relationship between market structure and industry profitability vary in accordance with the underlying organizational technology employed.

Sustaining Independence: Global Airline Alliances vs. Global Airline Challengers

Zdenek Necas, INSEAD

Incumbent airlines created three global airline alliances over the past two decades. In parallel, emerging airlines with worldwide ambitions developed in the Middle East and South America. These emerging airlines possess unique firm- and country-level resources, to which incumbent airlines seek access by incentivizing emerging airlines to join their respective global alliance. Yet, some emerging airlines opt to remain independent. Using resource dependence theory lens, the aim of this article is to explore empirically this tension between emerging airlines’ choice of global alliance membership and independence, using social network analysis. Preliminary results indicate that high network centrality, brokerage positions and ability to create customized alliance networks spanning across all three global alliances without associated membership constraints incentivizes the most resource-rich emerging airlines to remain independent.

SESSION 76

MANAGERS AND CORPORATE STRATEGY

<table>
<thead>
<tr>
<th>TRACK F, TRACK O</th>
<th>Date</th>
<th>Time</th>
<th>Paper</th>
<th>Room</th>
<th>Session Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monday, Sep 30</td>
<td>17:00 – 18:15 h</td>
<td></td>
<td>Int’l Ballroom C</td>
<td>Peggy Golden, Florida Atlantic University</td>
</tr>
</tbody>
</table>

Agency Problems in Divested Business Units: Evidence from the Boards of Directors of Spinoff Firms

Emilie Feldman, University of Pennsylvania

This paper investigates the governance of firms created in corporate spinoffs by studying the influence of directors of divesting parent
companies who serve on the boards of their spinoff firms. This can happen in one of two ways: when directors of the parent company leave their seats to serve on the spinoff firm’s board (“former directors”) or when such directors simultaneously hold seats on both companies’ boards (“dual directors”). While dual directors are found to be negatively associated with spinoff firm performance, former directors exhibit a neutral relationship. The key factor driving the appointment of dual directors to spinoff firms’ boards is weak pre-spinoff governance and performance among their parent companies, and there is evidence that dual directors extract private benefits of control from their seats on spinoff firms’ boards.

CEO Background Characteristics As Determinants of Firm Performance

Mark Hansen, Brigham Young University
Chad Howland, University of Minnesota

Drawing on a unique dataset consisting of executives who have been CEO at more than one publicly traded company, we use Bayesian hierarchical analysis to separate CEO effects from effects of the firm and of the strategic actions taken. Then, using the resource-based view framework, we look at background characteristics of CEOs to discover how much those educational experiences, occupational experiences, and network ties influence firm performance.

The Moderating Role of Executive Discretion on the Relationship between Target-Managers’ Turnover and Post-Acquisition Performance

Kalin Kolev, California State University-Fullerton
Jeray Halebian, University of Georgia

This study examines the impact of target-firm managerial turnover on post-acquisition performance. Drawing on agency theory and the strategic management perspective, we recognize that target-managers’ turnover could have both positive and negative effects but its specific impact will be more salient under particular contingencies. To develop our contingency model we utilize research on managerial discretion (Hambrick and Finkelstein, 1987). We theorize that target-firm managers with high discretion will be more difficult to replace following an acquisition and their departure will have stronger negative effects on post-acquisition performance.

TMT Characteristics in M&As: The Effects of Gender and Relative Power

Heather Parola, Florida Atlantic University
Kimberly Ellis, Florida Atlantic University
Peggy Golden, Florida Atlantic University

Previous studies generally report mixed results when investigating the performance effects of gender diversity of the top management team. Looking to reconcile existing results, we adapt a resource-based framework to theoretically and empirically examine the value creation capabilities associated with gender diversity of the TMT in the context of a merger or acquisition where the influence of information processing, communication, and collaboration become critical. We then consider how power dynamics within the TMT can enhance or diminish the value of gender diversity. Our empirical results highlight the complexity of uncovering effects of gender diversity, particularly in the M&A context, as well as highlight the complex nature of power dynamics within a diverse TMT.

SESSION 123
GLOBAL SUPPLY AND VALUE CHAINS

| TRACK G | Date     | Time      | Paper | Room    
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monday, Sep 30</td>
<td>17:00 – 18:15 h</td>
<td></td>
<td>Juniper Room</td>
</tr>
</tbody>
</table>

Session Chair: Jonathan Doh, Villanova University

Business Process Offshoring: Investigating the Role and Impact of International Strategy
Niccolo Pisani, IESE Business School
Joan E Ricart, IESE Business School

Business process offshoring is today envisaged as a crucial aspect in the reconfiguration of modern multinationals. A thorough examination of the offshoring literature noticeably indicates that little attention is paid to appreciate the role and impact of international strategy in guiding offshoring implementations. We contend that such dearth is also caused by terminological incongruities in the literature that prevent an encompassing appraisal of such relation. In this study, we hypothesize that the formulation (versus non-formulation) of an international strategy for guiding an offshoring implementation increases the likelihood that such implementation is strategic (versus tactical) and has a positive impact on its outcome. We empirically validate our hypotheses testing them on a fine-grained dataset of 1,110 offshoring implementations executed by 324 multinationals offshoring to 76 countries.

Offshore and Domestic Subsidiary R&D Sourcing: Its Antecedents and Innovation Outcomes
Michael Mol, University of Warwick
Olivier Bertrand, SKEMA Business School

In this paper we investigate under what conditions subsidiaries source R&D inputs from fellow subsidiaries located at home or offshore and how subsidiary R&D sourcing affects the propensity to innovate. Using French data, we conclude that subsidiary R&D sourcing is a source of heterogeneous knowledge, but mostly when undertaken offshore. Offshore subsidiary R&D sourcing involves a greater cognitive distance than sourcing domestically though, and this makes it more difficult to engage in such sourcing, unless a firm can apply mechanisms that reduce this distance, through export intensity or being located near country borders. We think that subsidiary R&D sourcing is a firm distinct from both internal and outsourced R&D and through this paper attempt to stimulate research into this form of R&D.

Offshoring as an Exogenous Shock to the Services Production System: Aligning Resources, Execution and Outputs
Kristin Brandl, Copenhagen Business School
Michael Mol, University of Warwick
Bent Petersen, Copenhagen Business School

Production of services involves three key elements, an output for the client, resources of a provider and task execution. Offshoring of services acts as an exogenous shock to such a production system. Using multiple case methodology we investigate how task output, execution, and resources change as a consequence of offshoring and particularly how these elements are realigned. The cases reveal substantial managerial challenges in the alignment process prompted by a relocation of service task execution to an emerging economy. In particular, we find that instead of some set of capabilities that proactively orchestrates resources to suit the task at hand, the change in resources seems to be driving alterations to how the tasks are executed, making them less discretionary and more routinized.

The Ecosystem of Value Chain Configuration Decisions
Carine Peeters, Free University of Brussels
Arie Levin, Duke University

This paper considers a firm’s global value chain as an idiosyncratic alignment of processes (P), geographic delivery locations (L), and in-house versus outsourced governance modes (G), which we refer to as the PLG configuration. We study the ecosystem of actors that co-evolve and mutually influence firm PLG configuration decisions. Instead of the common features of firms’ global configuration strategies, we seek to better understand the heterogeneity of firms’ PLG configurations resulting from idiosyncratic processes – locations – governance modes decisions.
The proposed conceptual framework integrates various theoretical perspectives and provides guidelines to test the contribution and limits of International Business theory in explaining firms’ idiosyncratic PLG configurations.

SESSION 126
MANAGING VARIOUS INTERNATIONAL RISKS

<table>
<thead>
<tr>
<th>TRACK G</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>17:00 – 18:15 h</td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room</td>
<td>Hazelnut Room</td>
<td></td>
</tr>
</tbody>
</table>

Session Chair Bernadine Dykes, University of Delaware

★ Cap-(ture) and-Trade: Arbitraging by multinational firms in the EU Emissions Trading Scheme (EU ETS)
Sanjay Patnaik, George Washington University
This paper examines how multinational companies (MNCs) are exploiting price differentials in the market for emission permits within the European Union Emissions Trading Scheme (EU ETS). Utilizing a panel dataset on firms in the Iron and Steel sector in the EU, I show that MNCs are more likely to engage in arbitraging. My results also indicate that the likelihood for firms to seize this arbitrage opportunity increases over time. Finally, I demonstrate that MNCs are capturing larger rents from the EU ETS than their domestic peers. This paper contributes to our understanding of how newly introduced climate change regulations allow firms to capture value. It also provides novel empirical evidence for the argument that MNCs are more likely to act as arbitrageurs.

Do Regulated Firms have a Taste for Policy Discretionary Countries?
Laura Fernández-Méndez, University of Oviedo
Esteban García-Canal, University of Oviedo
Mauro Guillen, University of Pennsylvania
This paper explains under which circumstances regulated firms show a preference for investing in policy unstable countries. We argue that this preference appears in countries with underdeveloped infrastructure and with the same legal system as the one of the foreign investor. We also argue that regulated firms do not follow a gradual process in their exposure to policy instability. An empirical analysis using panel data on the international expansion of the Spanish listed firms from 1986 to 2008 confirms these hypotheses.

Government Corruption and Multinational Enterprise Strategy
Michael Sartor, University of Western Ontario
We investigate whether petty corruption and grand corruption differ in their impact upon the foreign-entry strategies of MNEs. Synthesizing insights from institutional theory and integrative social contracts theory, we suggest that host market normative institutions, such as public sector corruption, should be conceptualized as multi-level phenomena. We theoretically distinguish between petty and grand corruption to develop hypotheses pertaining to the relationship between each type of corruption and three foreign entry decisions (entry mode, partner choice and expatriate staffing). We test the hypotheses with a longitudinal sample of 961 subsidiaries established in 35 countries. The results suggest that the normative institution of corruption is a multi-level phenomenon. Each of the two types of public sector corruption exerts a distinct impact upon the three foreign entry decisions.

Identifying Sources of Competitive Advantage for Managing Violent Conflict Risk
Chang Hoon Oh, Simon Fraser University
Jennifer Oetzel, American University
The aim of our study is to examine potential sources of competitive advantage for managing political conflict risk based on firms’ experiences managing during periods of political violence. To examine this question, we use a unique multi-source panel dataset of 380 large multinational corporations (MNCs) from 29 home countries and their subsidiaries in 124 host countries. The time period of our study is 1999 to 2008. This study has two parts. Part 1, which has been completed, demonstrates that firms can gain experiential advantages for managing political violence but these advantages are subject to certain boundary conditions. Part 2 of our study, which is currently in progress, probes more deeply into the causes and characteristics of political violence and how these factors affect firms’ investment behaviors.

SESSION 209
CAPABILITY TRANSFER AND RECONFIGURATION PROCESSES

<table>
<thead>
<tr>
<th>TRACK H</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>17:00 – 18:15 h</td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room</td>
<td>Hickory Room</td>
<td></td>
</tr>
</tbody>
</table>

Session Chair Annette Ranft, University of Tennessee

Can Skills Beat Structures? Leveraging Process and Capabilities to Endure Price Wars
Patrick Reinmoeller, Cranfield University
Research on price wars has established that superior cost structures are the key for organizations capacity to endure the highly competitive interaction of repeated and lasting price reductions. Are such superior cost structures necessary to win a price war? Focusing on strategies process, this study addresses the questions of why and how process and capabilities could help to overcome disadvantageous cost structures and win price wars. This in depth case study provides new insights into how leaders can deploy capabilities successfully. Developing granular understanding of how deployment of dynamic capabilities helped the focal firm to overcome the lack of a superior cost structure and resulted in the emergence of several concepts; organizational self-awareness, purpose renewal, and deployment of dynamic capabilities as parallel process. Contributing to the literature by refining theories on dynamic capabilities and price wars, this study helps explains how dynamic capability deployment can overcome disadvantages in cost structures.

Capability Transfer Challenges: A Case Study in Alberta’s Oil Sands
Connie Van der Byl, Mount Royal University
In response to a turbulent and unpredictable business context, some energy companies attempt capability reconfiguration to capitalize on opportunities that will improve their economic and environmental performance. I use the dynamic capabilities framework to examine challenges in reconfiguring capabilities for new technology adoption leading to potential environmental performance improvements in Alberta’s oil sands. I find that informal, explicit routines result in a ‘non transfer’ of capabilities. In addition, a negative transfer of tacit routines can occur where existing capabilities are not applicable to the new opportunity. Data for this study is generated from 71 interviews conducted through an in-depth case study stemming from a creative sentence order connected to environmental noncompliance at Suncor Energy, Canada’s largest integrated energy company.

Dynamic Managerial Capabilities: Renewing and Sustaining Advantages in Dynamic Markets
Jeffrey Martin, University of Alabama
The purpose of this study is to advance understanding of dynamic managerial capabilities by exploring the antecedents, contextual, organizational, and individual level factors that affect the capacity of an organization to reconfigure resources in changing markets. Specifically, this research focuses on deepening understanding of dynamic managerial
Paradoxical Contexts and Capability Reconfigurations: Explaining Change in Stable Patterns of Strategic Renewal

Joakim Netz, Sustainable Development of Society and Technology
Harvesting paradoxes is at the heart of achieving strategic renewal of the firm. While recent research has theorized either paradoxical properties of processes or reconfiguration of capabilities in firm organization, much less is known about their interdependent relationship. This paper aims to explain this relationship. Based on a longitudinal design with three major corporations and a dataset of 10 068 documents including 45 interviews, the study unveils how technological and entrepreneurial elements mutually forms a unified tension through its paradoxical relationship. This tension is crucial for firms to understand when altering reconfiguration of capabilities because not harnessing that paradox will impede the ability to maneuver strategic renewal.

Innovations and New Venture Performance: The Confounding Effect of Innovations in the Same Industry

Terence Fan, Singapore Management University
Alex Tai Loong Tan, University of Western Australia
The link between innovations developed by a focal firm and its performance has been inconclusive. This paper examines the Australian manufacturing industry in 1990s as a functional institutional environment with relatively efficient firms to examine the confounding effect of innovations undertaken by other firms in the same industry subsector. Our results show that new ventures in an industry subsector where firms undertake intensive innovations (e.g., considered new to the industry worldwide, with a long time to commercialization, etc.) experienced higher sales growth than those in another subsector – capturing a ‘rising-tide-raises-all-boats’ effect. However, those new ventures developing innovations themselves perform worse in sales growth and returns on assets in a subsector with more intensive innovations than another subsector – akin to a ‘red queen effect’ in innovations.

Learning from Failure and Firm Innovativeness

Erwin Danneele, University of Central Florida
The popular business press and academic articles have promoted the virtues of failure, particularly in the pursuit of innovation. This article argues that is necessary to distinguish tolerance for failure from learning from failure, and that only the latter promotes firm innovativeness. A longitudinal study of 106 U.S. manufacturing firms indeed finds that mere tolerance for failure has no effect on firm product innovativeness. In contrast, firms that make a deliberate effort to learn from failure introduce more innovative new products. Further, the positive effect of learning from failure is enhanced by a climate of constructive conflict within the firm.

The Effects of Knowledge versus Production Boundaries on Firm Survival through Disruptive Technological Change

Jean Woroniecki, University of Pittsburgh
Susan Cohen, University of Pittsburgh
Jorge Walter, George Washington University
Research suggests that firms that develop complex products benefit from maintaining knowledge boundaries that are broader than their production boundaries. This configuration can provide efficiency through outsourcing yet retain effectiveness in integrating component technologies. However, products comprised of many rapidly changing component technologies can expose a firm to greater risks from disruptive technological change, which alters the way product components work together, as well as the nature of demand for a product. In this study, we propose that while broad knowledge of related markets will assist adaptation, broad boundaries in distribution and sales do not help and could even reduce the adaptive benefits of broad market knowledge. Our longitudinal study of disruptive change in the hard disk drive industry provides broad support for these predictions.

Who Sustains Industrial Leadership in Technological Convergence Era?: Network Analysis on Printed Electronics Industry

Yongrae Cho, Korea Advanced Institute of Science and Technology
Euiseok Kim, KAIST
Wonjoon Kim, KAIST
The nature of competition in high-tech market has been changing drastically due to the rapid technological innovation. These changes

Innovations and New Venture Performance: The Confounding Effect of Innovations in the Same Industry

Terence Fan, Singapore Management University
Alex Tai Loong Tan, University of Western Australia
The link between innovations developed by a focal firm and its performance has been inconclusive. This paper examines the Australian manufacturing industry in 1990s as a functional institutional environment with relatively efficient firms to examine the confounding effect of innovations undertaken by other firms in the same industry subsector. Our results show that new ventures in an industry subsector where firms undertake intensive innovations (e.g., considered new to the industry worldwide, with a long time to commercialization, etc.) experienced higher sales growth than those in another subsector – capturing a ‘rising-tide-raises-all-boats’ effect. However, those new ventures developing innovations themselves perform worse in sales growth and returns on assets in a subsector with more intensive innovations than another subsector – akin to a ‘red queen effect’ in innovations.

Learning from Failure and Firm Innovativeness

Erwin Danneele, University of Central Florida
The popular business press and academic articles have promoted the virtues of failure, particularly in the pursuit of innovation. This article argues that is necessary to distinguish tolerance for failure from learning from failure, and that only the latter promotes firm innovativeness. A longitudinal study of 106 U.S. manufacturing firms indeed finds that mere tolerance for failure has no effect on firm product innovativeness. In contrast, firms that make a deliberate effort to learn from failure introduce more innovative new products. Further, the positive effect of learning from failure is enhanced by a climate of constructive conflict within the firm.

The Effects of Knowledge versus Production Boundaries on Firm Survival through Disruptive Technological Change

Jean Woroniecki, University of Pittsburgh
Susan Cohen, University of Pittsburgh
Jorge Walter, George Washington University
Research suggests that firms that develop complex products benefit from maintaining knowledge boundaries that are broader than their production boundaries. This configuration can provide efficiency through outsourcing yet retain effectiveness in integrating component technologies. However, products comprised of many rapidly changing component technologies can expose a firm to greater risks from disruptive technological change, which alters the way product components work together, as well as the nature of demand for a product. In this study, we propose that while broad knowledge of related markets will assist adaptation, broad boundaries in distribution and sales do not help and could even reduce the adaptive benefits of broad market knowledge. Our longitudinal study of disruptive change in the hard disk drive industry provides broad support for these predictions.

Who Sustains Industrial Leadership in Technological Convergence Era?: Network Analysis on Printed Electronics Industry

Yongrae Cho, Korea Advanced Institute of Science and Technology
Euiseok Kim, KAIST
Wonjoon Kim, KAIST
The nature of competition in high-tech market has been changing drastically due to the rapid technological innovation. These changes
incurred a phenomenon called technological convergence which integrates different technologies and accelerates industrial complexities, consequently lowering industry boundaries. Therefore, this study examines possible innovation strategies to maintain industrial leadership and sustainability of firms. In order to identify the key players firms, we analyze network indexes and intensity indexes using patents citation information. The empirical results showed electronics-related firms that handle application of element technologies as well as ink-related firms were key players and continuously concentrated technological capacity towards printed electronics area. This study suggests the strategic significance of application and integration between disparate technologies, and also emphasizes the dynamic perspective in strategy establishment for technological convergence.

### SESSION 132

**KNOWLEDGE TRANSFER AND REPLICATION**

<table>
<thead>
<tr>
<th>TRACK I</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>17:00 – 18:15 h</td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td>Room</td>
<td></td>
</tr>
<tr>
<td>Session Chair</td>
<td>Gabriel Szulanski, INSEAD</td>
<td></td>
</tr>
</tbody>
</table>

**Exploring Disseminative and Absorptive Capacities in Conventional and Reverse Knowledge Flows Post-Acquisition**

Ieva Martinikenaite, BI Norwegian Business School
Helene Loe Colman, BI Norwegian Business School
Randi Lunnan, BI Norwegian Business School

Through a longitudinal, comparative case study of conventional and reverse knowledge transfer processes in acquisitions, we conceptualize distinctively different knowledge transfer logics and learning behaviours of acquisition partners. Our findings show that managerial processes, underlying disseminative and absorptive capacities and tensions in their interaction vary in different directional contexts of knowledge transfer. We contribute with a dynamic view of the mechanisms of knowledge flows in general, and of post acquisition knowledge flows in particular.

**Organizational Ambidexterity Revised: Introducing a Framework for Managing Trade-Offs**

Sebastian Kortmann, University of Amsterdam

Prior literature emphasizes the role of organizational ambidexterity in achieving sustainable competitive advantage. However, diverse conceptualizations, theoretical inconsistencies and the lack of an overarching theory inhibit a common ground of understanding. Building on prior organizational ambidexterity literature, this study introduces a framework that is based on the identification of three constituting dimensions. These dimensions include the enabling mechanism of organizational ambidexterity, the interplay of organizational levels involved and the core trade-off that is balanced. Theoretically, the resulting organizational ambidexterity framework effectively integrates our existing knowledge on ambidextrous behavior while simultaneously revealing important avenues for future research. From a managerial perspective, it is explained how decision-makers can use the framework to create a multi-dimensional ambidextrous solution, which fits with the unique characteristics of a firm.

**Organizing for Different Adaptations in Plural Forms: A Typology for Efficient Boundary Choices**

Izzet Sidki Darendeli, Temple University

Firms that re-use their organizational knowledge in different contexts to continue earning rents from it are faced with dual pressures for replication accuracy and adaptability. I specifically examine this issue to enhance the literature’s understanding of where in the plural form organization, “replication enhancing” and “adaptation enabling” knowledge should be generated and how is constrained innovation is achieved. In order to do so, by considering innovations as adaptations, I characterize them by using Teece's (1996) systemic vs. autonomous conceptualization, that differentiates between adaptations that affect other parts (systemic) and innovations that are independent (autonomous) and as well as front-office back-office conceptualization (Bowen & Youngdahl, 1998; Hart, 1996; Sampson, 1996) that differentiates between adaptations that have a direct effect on the interaction of the service with the consumer and vice versa.

### SESSION 73

**STRATEGY EMBEDDED IN RELATIONAL PRACTICES**

<table>
<thead>
<tr>
<th>TRACK J</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>17:00 – 18:15 h</td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td>Room</td>
<td></td>
</tr>
<tr>
<td>Session Chair</td>
<td>Rajiv Nag, Georgia State University</td>
<td></td>
</tr>
</tbody>
</table>

**Fishing or Hunting? Strategic Information Circulation Practices to Reach Sustainable Competitive Advantage**

Stephanie Dameron, University of Paris-Dauphine
Lionel Garreau, University of Paris-Dauphine
Anthony Gour, Paris-Dauphine University

This paper proposes a study of strategic information circulation practices. It draws on Simon and March works (Feldman & March, 1981; March & Simon, 1958; Simon, 1947) about information to address practices of strategic information circulation as social practices, as addressed by the Strategy-as-Practice approach. The focus on social practices opened ways for better understanding the fuzziness behind people accessing, collecting and using of information. We examined how major French companies organized the processes of strategic information circulation. We propose an integrative metaphorical model that represents a taxonomy of four type of practices that companies set to organize strategic information circulation.

**Inclusivity and Diversity: The Key to Strategy and Sustainability**

Nicholas O’Regan, University of the West of England
David Sarpong, University of the West of England
Abby Ghobadian, University of Reading

Strategic foresight is necessary at all levels of the organization rather than being the preserve of the TMT. We examine the role of lower level participants in contributing to strategic foresight by focusing on organizational practices and networks/relationships. A multiple case study methodology was used involving three software firms over a twelve-month period. The results indicate that organizational architecture has a
The Architecture and Practices of Organizing Multi-Party Collaboration

Lena Elisabeth Bygballe, BI Norwegian Business School
Anna Svärd, BI Norwegian Business School
Anne Live Vaagaas, BI Norwegian Business School

Firms increasingly organize their value creation processes as multi-party collaborations. However, we know little about the organizing practices that managers use in such collaborations. Based on a multiple case study of temporary multi-party collaborations established for the production of public high-value capital goods, this paper shows how the practices of organizing multi-party collaborations rely on both hierarchical and actor-oriented schemes. Furthermore, findings from the study illustrate how the practices and the collaboration architecture co-evolve and shape one another during the value-creation process, and how this, in turn, affect the perceived success of the process. Finally, the findings show how contextual factors, which in the study relate to the temporary nature of the collaborative arrangements and the long-term nature of the product produced, influence the organizing.

The Reconfiguring of Knowledge during Unprogrammed Situations

Raghuram Garud, Penn State University
Rajiv Nag, Georgia State University

It is not easy to use knowledge that lies distributed to address unprogrammed situations. We identify three pathologies that can arise when organizations encounter unprogrammed situations and then outline a process perspective on how organizations may be able to overcome these pathologies. Our process perspective is driven by a relational ontology wherein new relations emerge between social and material elements that lie distributed across an organization to address unprogrammed situations. An exploration of this process suggests why we might want to incorporate the generative value of cultivating differences through such relational processes into a new theory of knowledge use in organizations.

Entrepreneurial Judgment: A Broadened Conceptualization of Decision-Making Under Uncertainty

Mark Packard, University of Missouri-Columbia
Brent Clark, University of South Dakota

Expanding on Knight’s 1921 classification of uncertainty, we develop a typology to introduce three new classifications of uncertainty, namely environmental, ambiguous, and absolute uncertainty. We argue that these types of uncertainty are commonly encountered by entrepreneurs in managerial decisions. Our typology will help researchers understand the distinctions between uncertain contexts faced by individuals at varying levels of analysis. We propose expanding modern decision-making theory to include these additional conceptions of uncertainty, and suggest Shacke’s 1949 and 1961 theory of potential surprise as a theoretical foundation on which to build. We then devise two studies to simulate and test the environmental and ambiguous uncertainty contexts using both the potential surprise and subjective expected utility frameworks.

Organizational Search Behavior And Entrepreneurial Spawning: Evidence From Medical Devices Industry

Navid Bazzazian, HEC-Paris
Corey Phelps, HEC-Paris

We study the effect of organizational search behavior for new knowledge on the firms’ likelihood and intensity of entrepreneurial spawning. In particular we identify search scope and search diversity as two knowledge generation strategies that have micro consequences on the entrepreneurial opportunity set and motivation of employees to spinout. We integrate organizational learning and entrepreneurship literature to develop theory and hypotheses regarding the relation between knowledge search strategies and employee entrepreneurship. We test our hypotheses in the medical devices industry. Our results point to the importance of organizational search behavior for generation of spinouts.

The Role of Cognition in Opportunity Exploitation

Andreea Kiss, Iowa State University
Pamela Barr, Georgia State University

We construct a model of opportunity exploitation in which we highlight entrepreneurial cognition as an important contingency between environmental (i.e. industry) signals and firm level actions aimed at exploiting opportunities. We test this model on a sample of 104 publicly traded new ventures founded between 1996 and 2006 operating in technology intensive sectors. Results highlight the important role that the entrepreneur’s capacity to interpret environmental signals has on the type of actions that their firms pursue. We contribute to prior literature on opportunity exploitation by providing an elaborated understanding of the role of cognition in interpreting and translating industry signals into firm action. Further, we highlight the role of cognitive mechanisms in facilitating the fast, diverse and frequent organizational actions typically associated with continuous adaptation.
SESSION 213
FUNDING OF ENTREPRENEURIAL VENTURES

<table>
<thead>
<tr>
<th>TRACK K</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>17:00 – 18:15 h</td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td>Room</td>
<td>Pecan Room</td>
</tr>
<tr>
<td>Session Chair</td>
<td>Jing Zhang, Old Dominion University</td>
<td></td>
</tr>
</tbody>
</table>

Built to Last or Cashing In? Role of Firm Orientations and Environments on Investor Evaluations
Adam Steinbach, Michigan State University
Emily Block, University of Notre Dame

Research on entrepreneurial finance has consistently shown the importance of capability- and opportunity-based factors on investor decisions. However, scholars have not yet explored whether investors are influenced by the environment of the new venture. Further, we argue that evaluations of these orientations differ depending on the environment of the new venture. Our preliminary results from analyses of potential investor evaluations suggest that environment of the new venture provides support for our overarching hypothesis that firm orientation matters to investors.

Crowdfunding the Lighthouse: The Emerging Role of Alternate Sources of Capital and Privately-funded Public Goods
Matthew Josefy, Texas A&M University

Entrepreneurs successfully raised $1.5 billion in capital in 2011 for a wide-variety of risky, innovative projects using crowdfunding, the mass solicitation of funds for a specified venture via the Internet. Our theoretical understanding of what motivates providers of capital remains limited, other than for venture capital or business angels. This paper builds a taxonomy of project sponsors whose behaviors and motivations are unexplained by existing theory and seeks to provide empirical evidence of the underlying motives of their unique behaviors. The theory delineates an idea-focused logic that is distinct from the founder-focused bias observed in friends and family, and illuminates private individuals voluntarily funding public goods, counter to the expectations of the “tragedy of the commons” or the “lighthouse problem.”

One Hit Wonders: Questioning the Pursuit of Firm Survival
Matthew Josefy, Texas A&M University

Conventional thinking suggests that firm survival (and sustainability) is a key measure of performance or even the penultimate definition of success. However, entrepreneurs in the current decade have had tremendous success in funding a wide-variety of one-off projects using crowdfunding. These projects, while diverse, represent a wide-range of innovations and product introductions that tap demand not met by existing firms. Yet, most of these entrepreneurs will not create traditional firms and many of the entities will exist for a limited time period. This paper considers the implications of crowd-funded projects on the conception of firm founding and survival in entrepreneurial research, and provides empirical evidence that founders would prefer alternate measures. The paper also identifies implications for innovation.

Social Capital or Social Enclave? Venture Capital Funding of Asian-Led Ventures in Silicon Valley
Jing Zhang, Old Dominion University
Poh Kam Wong, National University of Singapore
Yuen Ping Ho, National University of Singapore

Based on social cognitive theories, we develop a concept of “social enclave” to highlight the dilemma of ethnic investors in relying too much on their ethnic social ties in investing. Our analysis of venture capital funding in Silicon Valley 1976-2004 showed a higher likelihood of Asian venture capitalist (VCs) investing in Asian-led ventures compared to non-Asian-led ventures, but their valuation and amount of investments in the Asian-led ventures were not significantly different from those by non-Asian VCs. However, the average valuation and amount of their investment in non-Asian-led ventures appear to be significantly higher than those by non-Asian VCs. It suggests that Asian VCs pay premiums in their attempts to overcome the constraints of social enclave and compete in the mainstream business world, which further explains why Asian VCs are discouraged from investing outside of their ethnic ties.
The Effects of Pay Disparity and Age Differential between the Two Best Paid Executives on Top Executive Turnover

Stephanie Mankel, EBS University

In our paper, we test tournament theory focusing on the effects of pay disparity and age differential between the two best paid executives on the exit of second best paid executives from the top five pay rankings of S&P 500 firms in the 14-year period between 1993 and 2006. Our findings from competing-risks survival regression analysis indicate that pay disparity is associated with increased risk of turnover while age differential is negatively related to the risk of this event, given that other events compete. We contribute to compensation research on pay structure implications on turnover by focusing on the second best paid executive as the one being closest to winning the tournament for the CEO position, which usually receives the highest pay in a company.

To Reap or Sow? A Contingency Theory of When Executives Choose to Build or Capitalize on Their Human Capital

Eric Lin, Harvard University
Boris Groysberg, Harvard University

Are executives primarily driven to capture the highest return on their current human capital? Using a proprietary data set that captures compensation differences in executive placements, our analysis suggests the competition for executive talent may be driven by other factors as well. Preliminary results indicate that while the relationship between mobility and compensation appears tight for senior executives, junior executives appear to exhibit different priorities. We hypothesize how career concerns may explain observed differences and conduct initial testing of that conjecture. In this proposal, we share early findings and direction for further development. This work informs research in strategic human capital, identifying potential new dimensions on which firms can compete for executive talent.

Turnover and Promotion

Jonathan Peterson, NRU Higher School of Economics

I build an infinite-horizon turnover model to address the relationship between turnover, promotion, and wages. This paper is among a new set of turnover models that incorporate private worker taste shocks to produce non-degenerate endogenous turnover. Firms are deeply concerned with turnover models that incorporate private worker taste shocks to produce non-degenerate endogenous turnover. Firms are deeply concerned with turnover and Promotion

Werner Hoffmann, WU-Vienna

This research attempts to fill in these gaps in the literature by examining the role of strategic orientation and uncertainty in partner selection for radical innovation in the emerging economies using firm-level data from China. To our best knowledge, this is the first study examining how strategic orientation for radical innovation affects firms’ innovation partner selection, and how the endogenous and structural uncertainty a firm faces moderates this relationship. It also contributes to our understanding of the transformation from imitation to innovation in emerging economies.

The Relationship of Internal and External Exploration Orientation: The Moderating Role of Firm Strategy

Werner Hoffmann, WU-Vienna
Roman Wörner, WU-Vienna

Using data from the biopharmaceutical industry, this study analyzes the relationship of internal and external exploration orientation and the moderating role of firm strategy. We argue that firm strategy - in particular a firm's vertical scope - is an important but so far overlooked contingency factor which determines the relationship of internal and external exploration orientation. Our findings indicate that differences in vertical scope result in alternative combinations of internal and external exploration orientation. While specialized firms tend to focus either on exploration or exploitation both within and across firm boundaries, vertically integrated firms prefer to balance exploration and exploitation across boundaries.
Hey Jude: Top Management Teams

An Examination of the Antecedents of TMT Global Diversity
Elias Aleman, Stevens Institute of Technology
Ann Mooney Murphy, Stevens Institute of Technology
Zvi Aronson, Stevens Institute of Technology

We examine a growing trend in organizations today: TMT global diversity. Researchers have found that if managed properly, TMT global diversity can have positive effects such as stronger performance. Surprisingly, scant attention has been paid to what affects TMT global diversity. Given its positive effects, we argue that understanding better the conditions and factors that affect TMT global diversity will be a worthwhile contribution to the research stream. Thus, we develop a theoretical model that addresses this question and it includes four main antecedents to TMT global diversity: the degree of the firm international diversification, the firm’s past performance, the international experience of the CEO, and the global diversity of Board of Directors. Understanding the antecedents of TMT global diversity should help shed light on what levers might be used to improve global diversity in situations where global diversity might lead to stronger effects on the firm.

The Lone Ranger or the Dynamic Duo: When do Firms benefit from Having a COO?
Daniel Chaffin, Michigan State University
Daniel Gamache, Michigan State University
Gerry McNamara, Michigan State University

In this paper we extend upper echelons research exploring the implications for firms of having a COO. Prior research in this area has been equivocal leaving uncertainty as to whether having a COO has a positive or negative impact on firm performance. We develop and test a model that argues that it is not so much whether a firm benefits or is hurt by having a dual leadership structure, but when a firm benefits by having this structure. We find that both conditions within the firm and its external environmental can influence the value a COO brings to the firm demonstrating that COOs are helpful for firm performance in some situations but harmful in others.

Using Observational Ratings in Upper Echelons Research
Oleg Petrenko, Oklahoma State University
Aaron Hill, Oklahoma State University
Federico Aime, Oklahoma State University
Jason Ridge, Clemson University

We present a measurement approach that addresses several of the limitations scholars face in measuring orientations of executives. Building upon research employing observer ratings and incorporating the increased availability of video recordings, we describe the promise of what we call ‘the observational approach’ in which observers rate focal constructs by auditing video recordings of executives. We argue that the observational approach can help overcome limitations for direct measurement of executives (e.g., nonresponse; having others respond; impression management) and questions about the psychometric properties of indirect approaches for upper echelons research and other research streams that may benefit from the ability of accessing and measuring executives’ orientations. We explain the methodology and demonstrate the applicability and validity of the observational approach in two replications studies.

Why Do TMTs Change the Way They Do? Exploring TMT Reconfigurations, Their Antecedents And Implications
Paul Ferreira, University of Geneva
Sebastian Raisch, University of Geneva

This study examines how TMT structures evolve through regular, recurring patterns of structural change. Drawing upon the upper-echelons and structural reconfiguration literatures, we develop a theory of TMT reconfigurations defined as the purposeful addition, deletion, and recombination of senior team roles. We propose four distinct patterns of TMT reconfigurations: role additions, role deletions, role mergers, and role split-ups. We argue that the occurrence of TMT reconfigurations and their performance implications are contingent upon external – environmental instability – and internal – strategy refocusing – drivers. We test our arguments based on a longitudinal sample of 91 European finance companies. Our main contribution to the upper-echelons theory is the conceptualization of TMT reconfigurations, thereby showing that TMT structures are dynamic and serve different roles across space and time.

Creating and Maintaining Reputation: How Top Analysts Earn and Maintain “Star” Rankings
Steven Boivie, Texas A&M University
Donald Lange, Arizona State University
Peggy Lee, Arizona State University
Eugene Paik, University of Arizona

Despite the importance of building and maintaining reputations, relatively little research has been devoted to understanding the specific actions that actors may take to affect the antecedents of reputation. By focusing on such actions—in particular, the acts of deviating from and conforming to the crowd—we extend research on how reputations are developed and maintained. We study reputation-building and reputation-maintaining processes using the context of “sell-side” equity analysts, and the reputation measure of All American rankings published by Institutional Investor magazine. Our research questions are: Do analysts who achieve All American ranking tend to be those who have taken higher risks to stand out from their peers? And, after being ranked as All-Stars, do these analysts continue to take risks to maintain those rankings?

Fit or Disrupt? A Co-Evolutionary View on Landscape Change and Innovation Strategies
Murat Tarakci, Erasmus University-Rotterdam
Fabian Sting, Erasmus University-Rotterdam

Scholars of organizational adaptation elaborate on how firms perform local and distant search for innovations that can increase their fit with their business landscape; whereas several researchers have documented firms which opt to disrupt their landscape instead of fitting. Using an agent-based simulation model, we explain the heterogeneity in organizations’ innovation strategies with their performance aspirations. We show that a firm is more likely to fit the environment when its innovation strategy is geared towards improving its own performance. In contrast, a firm that is concerned with relative performance compared to its competitors is more likely to disrupt the landscape. Thereby, the present study contributes to explaining why firms decide to fit or to disrupt their landscape. For this purpose, we move beyond the current exogenous understanding of landscape change, and incorporate co-evolutionary interactions between innovation strategies and the business landscape.
More is Less: Ignore The Top Performers and Imitate the Mediocre to Sustain Competitive Advantage
Chengwei Liu, University of Warwick
Jerker Denrell, Stanford University
Gerard Hodgkinson, University of Warwick
Exceptional success in business attracts media attention, benchmarking, and imitation. Recent studies show that the belief that the most successful are the most capable is flawed. We examine whom one should learn from if the most successful cases are to be ignored. Using simulation models, we demonstrate that one should imitate the best performing network neighbours (even they are mediocre in a global sense) while aspiring to the top performer; the benefit of imitating the best neighbours increases with population size. More generally, we show ‘more is less’ - the more exceptional the performance is, the less one could learn from such outliers - and a remedy to this challenge: imitating the local best.

Whom Should We Imitate? Imitation Strategy and Industry Knowledge Structure
Hart Posen, University of Wisconsin
Jeho Lee, Seoul National University
Sangyoon Yi, University of Southern Denmark
Imitation is a common practice within and across industries. Recent research has begun to explore the potential of imitation as a purposeful strategy. But the question of what constitutes a “good” imitation strategy is as yet not well understood. This study examines the efficacy of two canonical strategies oriented towards imitating the: best-performing firm and best-practices of leading firms. We find that the best-performer imitation strategy is robust and superior across a wide variety of circumstances. In contrast, the best-practices strategy is sensitive to how firms (and knowledge) are clustered in the industry. Our analysis on the imitation process illustrates how firms’ imitation strategy influences the degree to which firm clusters diverge and how much of the cluster heterogeneity is harnessed via boundary-crossing imitation.

SESSION 106
SUSTAINABILITY AND STRATEGY: INSTITUTIONAL DRIVERS AND PERFORMANCE OUTCOMES

<table>
<thead>
<tr>
<th>TRACK A&amp;B</th>
<th>Date</th>
<th>Monday, Sep 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panel</td>
<td>Time</td>
<td>17:00 – 18:15 h</td>
</tr>
<tr>
<td>Room</td>
<td>Int’l Ballroom E</td>
<td></td>
</tr>
</tbody>
</table>

Session Chair
Olga Hawn, Boston University
Panelists
Glen Dowell, Cornell University
Witold Henisz, University of Pennsylvania
Nan Jia, University of Southern California
Michael Toffel, Harvard University
Gurneeta Vasudeva, University of Minnesota
With the increased interest in sustainability and strategy, research on institutional drivers of sustainability and its effect on performance has been growing in various institutional settings. Institutional factors have become critical to understanding why firms engage in sustainability; however, what remains poorly understood is why we observe heterogeneity in their responses to institutional pressures as well as heterogeneity in performance resulting from their sustainability strategies. This session will review the development of research in this field with the goal to identify future directions, appropriate methods and frameworks in addition to institutional theory. The panelists will describe the evolution of the concept and its measures, current challenges and opportunities that we face, and some of the latest methodological and theoretical developments in the field.

19:00 – 22:00
MONDAY NIGHT EVENT
Centralize or Decentralize? The Effect of Structure and Power on Acquisition Integration Performance

Koen Heimeriks, Tilburg University
Mario Schijven, Texas A&M University

While prior research highlights the importance of a dedicated function to manage corporate development activities such as acquisitions, it is unclear where such a position should be located (i.e., corporate or business-unit level) within the organization. We posit that a centralized function negatively affects information flows between corporate and business-unit professionals which results in a negative acquisition integration performance effect. Moreover, we argue that location-performance effect is moderated by the level of power such a function enjoys. We test our predictions using unique qualitative interview data and quantitative survey data among Fortune 500 companies worldwide.

Effect of Patent Litigation on Firm Acquisition and Alliances Activity

Tian Chen, University of North Carolina-Chapel Hill

The incidence of patent litigation has increased markedly in the last twenty years. Growing in parallel is the stakes and cost of litigation. Litigation is an instrument that can be used to protect the holder's monopoly position. Enforcement of patent rights can also include the threat of litigation to stop infringement or to acquire royalties. Firms can respond to litigation by counter-suing to create a mutual holdup situation that can lead to faster resolution. This type of defensive strategy can lead firm's seeking external sources of patents in order to create a defensive patent pool. Whereas prior work has primarily focused on the characteristics of patent litigation, I formulate hypotheses examining the linkages of firm alliance and acquisition strategies and the threat of litigation.

The Determinants of Value for Non-Merging Rival Firms

Joseph Clougherty, University of Illinois-Urbana Champaign
Tomaso Duso, Düsseldorf Institute for Competition Economics
Klaus Gugler, WU-Vienna

Recent studies recognize that merger activity often benefits non-merging rival firms; hence, the focus in the management and finance literatures has been on positing different general theories that might explain this observation. Yet substantial heterogeneity exists when considering the value effects of merger activity on rivals, as many rivals experience value decreases. We add to the thin literature on rival effects by analyzing what determines the stock-price reactions of rival firms to the announcement of a competitor's merger. Namely, four broad categories of factors potentially affect rival-firm value: i) acquirer attributes, ii) rival attributes, iii) merger attributes, and iv) macro-level attributes. We improve upon previous studies by using a sample of mergers automatically analyzed by the European Commission which allows for precise identification of rivals.

Whether and When Acquisitions and Alliances Enhance the Survival Likelihood of Newly IPOed Firms

Asli Musaoglu Arikan, Ohio State University
Laurence Capron, INSEAD

Newly IPOed firms regardless of having little experience with corporate development activities like acquisitions and alliances, following their IPO, have often use M&A and alliances to scale up their capabilities and grow to build a viable competitive position in their product markets and live up to the financial markets’ expectations. We investigate the relationship between the frequency, sequence, and timing of the internal investments, acquisitions and alliances of newly IPOed firms and their rate of survival. Drawing on a sample of 686 U.S. firms that went IPO in 1988-1999, we find a curvilinear relationship between the IPOed firm’s M&A and Alliance activities and its delisting likelihood. However, increased number of M&A decreases the years-to-delist at a higher rate than Alliances. At the same time overreliance on Internal Investment also lead to higher delisting likelihood. Industry conditions impact when each mode enhances firm survival.

Constraints or Opportunities?: The Double-Edged Role of Market Competition on Expansion Strategy

Vivek Tandon, National University of Singapore
Brian Wu, University of Michigan
Sara Ryoo, University of Michigan

This paper assesses the impact of the competitive nature of home market and a firm’s competitive position within the home market on its expansion strategy to new markets. We identify home market competition as a main demand factor to spare managerial capabilities, a core determinant of expansion strategy. We suggest that firms from stronger competition home markets are less likely to expand and when they do they are more likely to expand to markets with similar characteristics. Our framework also examines whether this effect is exacerbated for leaders or laggards. We further examine the double-edged aspect of market competition. While competition acts as a constraint by holding up managerial capacity, it also plays a major role on honing competitive skills and thus enhancing post-entry survival. To seek support for the proposed hypotheses, we conduct an empirical analysis of the U.S. banking industry from 1984 to 1992.


David King, Iowa State University
Tansem Joosub, University of the Witwatersrand
David Caldwell, University of the Witwatersrand

Research recognizes firms are embedded in an institutional environment; however, there is little research examining the impact of government policy on corporate structure and divestment. Assuming firms optimize their organizational structure, divestment suggests the existence of an underlying shift that makes separation of activities desirable. The end of Apartheid with democratic elections in 1994 and subsequent changes in government policy with the Black Economic Empowerment (BEE) Act of 2003 represent clear shifts in the institutional environment that enable a natural experiment to examine both the removal and subsequent imposition of constraints on the market for corporate control. We will examine whether fewer (greater) restrictions on corporate structure improve (lower) efficiency and firm value, and we anticipate implications for research, managers, and policy makers.

The Competitive Advantage of Business Groups: Entrepreneurial or Rent Seeking? Evidence From North Africa

Addis Gedefaw Birhanu, Bocconi University

There is a general consensus that affiliation to business groups is positively related to firm performance. However, the mechanism by which this occurs is far from clear. Some attributes the positive association to...
filling the ‘missing market’ while others to appropriation of rent through political connection. In this study, we try to identify the main mechanism by which affiliation contributes to firm performance using an exogenous shock that destabilizes potentially existing political connections of firms in the North Africa, the ‘Arab spring’. This setting is ideal to test our research question because Middle East and North Africa similar to other emerging regions are also known for having businesses groups owned by rich families or the state. Second, the change experienced by these countries is like a natural experiment that would allow us differentiate the sources of rent of firms affiliated to business groups relative to the nonaffiliated ones.

The Effects of Uncertainty and Ambiguity on M&A Announcement Media Choice
Eunjoo Yi, University of Pittsburgh
This study investigates how a manager’s media choice for an M&A announcement is affected by the deal’s attributes: uncertainty, ambiguity, and the deal’s relative size to an acquirer’s size. M&A announcements are characterized by uncertainty and ambiguity due to information asymmetry, forward-looking statements, and the possibility of multiple interpretations. Facing these challenges, top managers of buyer firm intentionally communicate with investors to help them make a shared understanding and process complex information about the focal deal. In the pursuit of communication effectiveness, it is important for a firm manager to choose appropriate announcement media, considering an event context or message attributes. I hypothesize that the level of the focal deal’s uncertainty and ambiguity and its relative size are positively associated with a manager’s rich media choice for the announcement.

To Make a Virtue of Necessity: Value-Based Strategies and Firm Growth
Andrea Fosfuri, Bocconi University
Roca Esther, Universidad Carlos III de Madrid
Firms are increasingly engaged in supporting the values shared by actual or potential customers with the aim of establishing value-based interactions with them. The more distinctive the supported values and the greater the firm’s commitment, the more likely this approach will grant the company positive attributions from the customers and thus generate a competitive advantage. However, what drives the success of this approach also poses hurdles to the potential for firm growth, i.e. the limited number of individuals who share distinctive values. We combine social identity theory and strategy research to develop a theoretical framework that addresses this tradeoff. We use our framework to generate testable propositions for both internationalization and diversification of those companies that engage in value-based strategies.

With Whom Innovate and Why? An Empirical Study in the Video Game Industry
Rhizlane Hamouti, University Montpellier 1
Frank Robert, Groupe de Co Montpellier Business School
The current competitive pressures force companies to develop innovative products. In this context, the performance of an innovation may not simply depend on the skills that firms have and exploit in-house, but may also depend on the effectiveness with which they can gain access to external sources of technological and knowledge skills. The aim of this research is to study the impact of relational strategies on the performance of product innovation in the video games industry and to identify the best partner to support each type of product innovation, radical an incremental. The study highlights that the type of partner selected by the firm will differ depending on the nature of innovation.

SESSION 152
MANAGERIAL PERSPECTIVES ON GLOBAL STRATEGY

<table>
<thead>
<tr>
<th>TRACK 6</th>
<th>Date</th>
<th>Time</th>
<th>Paper</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tuesday, Oct 1</td>
<td>08:00 – 09:15 h</td>
<td></td>
<td>Int’l Ballroom A</td>
</tr>
<tr>
<td>Session Chair</td>
<td>Henrik Dellestrand, Uppsala University</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internationalization of EMNEs: Role of Owner-CEOs</td>
<td>Raveendra Chittoor, Indian School of Business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preet Aulakh, York University</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sougata Ray, Indian Institute of Management-Calcutta</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deepak Jena, Indian School of Business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In this paper, we identify and theorize on a key driver of EMNEs’ internationalization namely, managerial intentionality—specifically owners taking on the role of manager-CEOs. We propose that firms with owner-CEOs, aided by their long-term orientation and less-restricted decision making powers, are likely to attain higher degree of internationalization. Further, the effect of owner-CEOs on internationalization is higher for independent firms than for firms affiliated to business groups. We test our predictions using a proprietary, longitudinal panel data set of 368 Indian firms (that were a part of the BSE 500 index as on September 2012) over the ten-year period from 2002 to 2011 and find supporting evidence.

Strategy from the Middle: Subsidiary General Managers as MNC Middle Managers
Donal O’Brien, Dublin Institute of Technology
Pamela Sharkey Scott, Dublin Institute of Technology
Patrick Gibbons, University College Dublin
The ability of some subsidiaries to negotiate with headquarters and manipulate the power structures of the MNC is broadly accepted but little is known about the role of the subsidiary general manager in this process. We suggest that tensions between the headquarters and subsidiary perspectives demand a new lens for analysis and build an organising framework for subsidiary management strategic activity by extending the Floyd and Wooldridge middle manager perspective of strategic influence activities. We provide initial insights that the general manager’s management style ‘matters’ in terms of the influencing activities undertaken. By testing the impact of middle manager influence activities on subsidiary level outcomes we provide confirmatory evidence of the importance of middle manager strategic activities to both the subsidiary and the MNC.

The Impact of MNE’s Institutional Complexity, TMT Turnover, and TMT Size on MNE Performance: A Strategic Contingency Perspective
Yu-Kai Wang, Soochow University
Aya Chacar, Florida International University
This study proposes that multinational enterprises (MNEs) with top management teams (TMT) characterized by greater information processing capability (IPC) will be able to analyze better and understand more profoundly the institutional environment in which they operate. Consequently, MNEs with greater TMT IPC will outperform other MNEs under high institutional complexity. This greater TMT information processing can be achieved by reducing TMT turnover to allow for TMT learning and/or increasing TMT size for greater specialization and increased individual information processing potential. The empirical results support the hypotheses made and are in line with the strategic contingency, institutional, and upper echelons perspectives.
When Sequences become Programs: The Dual Nature of Unfolding Intentionality
Xena Welch Guerra, University of St. Gallen

In this proposal we attempt to decipher the prototypical thinking processes associated with acquisition programs. We propose that intentionality is the crucial element which underlies the evolution of acquisition sequences and is constitutive for the notion of programs. We argue that intentionality is associated with both mindful and mindless thinking. As such, we propose that the emergence of intentional sequencing triggers the initiation of decision heuristics, coordination, routine building and deliberate learning processes while the incline of intentionality goes along with escalation of commitment, overconfidence and superstitious learning.

Why are Acquirers Unable to Learn from the Target even when They Want To?
Xavier Castaner, University of Lausanne
Güldem Karamustafa, HEC-Geneva
Jeff Davis, Orabrush Inc.

We studied P&G’s acquisition of Wella longitudinally to understand why acquirers are unable to learn when the motive of the acquisition is to leverage the target different capabilities in not-so-friendly acquisitions. Our research reveals that acquirer’s dominant logic and organizational culture impair acquiring managers’ ability to fully see and appropriately act on differences. Acquiring managers appear to make an effort to reduce their perception of differences through analogies. Further, acquiring managers who identify with their organization as a superior firm consider target practices as inferior and impose acquirer practices on the target to a greater extent. Conversely, acquired managers feel inferior but those who identify with their organization resist the imposition to a greater extent, leading to a vicious spiral of further acquirer imposition and target resistance.

Facilitating Acquisition Integration Processes through the “Champion of Acquisitions” as an “Out-insider” Director in the Board of the Acquirer
Vincenzo Pisano, University of Catania
Francesca Cabiddu, University of Cagliari
Rosario Faraci, University of Catania

This paper focuses on a case of cross-border acquisition implemented by an Italian privately held firm operating in the telecommunication industry. Through its analysis, we aim to examine the acquirer’s decision process and, in particular, the logic involved in top management’s decision to appoint an integration manager (or champion) for the acquisition as member of the acquiring firm’s board of directors. A key result of our investigation, the reason for this manager’s appointment was to ensure a more effective entry of the acquiring firm into the new country and to facilitate the integration process between the two organizations. Hence, our paper focuses on the relationship between the board of directors’ activities and the performance of a specific international market entry using acquisitions.

Trust, Conflict, and Alliances
Ilgaz Arikan, Ohio State University
Oded Shenkar, Ohio State University

In this paper we find that in addition to direct impact of historical conflict in a nation-dyad on governance choice of international alliances, its effect is also mediated by the degree of dispositional trust, measured as the perceived dissimilarity in antagonism. Given a history of conflict among nations, the frequency and probability of observing equity alliances increase because dispositional trust impact the identity dissimilarity between the exchange partners in those nations where credible commitments gains salience. The role-based trust based on occupational identities replace the need for credible commitments because partners’ interpretations of contracts are strongly influenced by higher education in law, economics and business, forming occupational identities and setting specific expectations about exchange relationships; and the frequency and probability of non-equity alliances increase.

Antecedents of Anticipatory Justice Among Acquired Firm Employees
Kaitlyn DeGhetto, Florida State University
Sangbum Ro, Florida State University
Bruce Lamont, Florida State University
Annette Ranft, University of Tennessee

Past acquisition research has stressed the importance of the integration phase and experienced justice to overall value creation. However, little research has taken a step back to explore how the pre-deal process can be critical to employee engagement during the integration phase. This paper makes a theoretical contribution by identifying how acquiring firms can begin to shape anticipatory justice during the earliest stages of the acquisition process. If employees develop a positive perception of the acquisition initially and expect to experience high levels of justice during the integration phase, they are more likely to engage and add value. Blending prior acquisition research with justice theory, we identify pre-deal process characteristics likely to affect target employees’ anticipatory justice along with moderators of these predicted main effects.

Security Analysts’ Role in Acquisition Decisions: Misaligned Interests Among Analysts and Shareholders
Johannes Luger, University of St. Gallen
Jan Mammen, University of Erlangen-Nuremberg

This proposal takes a descriptive and normative view on security analysts’ role in firm acquisitions. Adopting a behavioral theory perspective, we argue that analysts’ performance forecasts and firms’ acquisition decisions influence each other. In detail, we argue that raised performance forecasts foster subsequent acquisition activity, whereas acquisitions induce analysts to uplift their performance prediction. Due to a misalignment of analysts’ and shareholders’ interests, however, we describe this reinforcing relationship as a vicious cycle, indicated by acquisitions negative effect on a firm’s long-term accounting performance. Based on a longitudinal S&P 500 dataset, we are able to find support for our hypotheses.
Integration by Default May Reduce M&A Value
Andreas Raharsos, Hay Group
Yuan Long, Hay Group
Brian Langham, Hay Group

Integration has raised its profile and importance in the Merger and Acquisition literature, yet findings of its impact on M&A performance remain inconsistent or controversial. This paper reviewed the integration research and its implication for M&A outcome to discover that integration is a high risk decision for synergy and social capital, with little causal link to final deal result. Hence we challenge the current practice of integration by default. The paper concludes that integration is an option instead of the only available solution to sustainable M&A value creation. Other alternative strategies such as acquisition focusing on intrinsic value of the deal are encouraged.

The Determinants of Integration Effectiveness in Mergers and Acquisitions
Paulina Junni, BI Norwegian Business School
Riikka Sarala, University of North Carolina-Greensboro
Shlomo Yedidia Tarba, University of Sheffield
Omri Morag, University of Pécs
Amos Raviv, Israeli Center of Management Studies

Despite their prevalence, M&As are reported to suffer from high failure rates. The post-acquisition integration process has been argued to be crucial for creating synergies that increase acquisition performance. However, we do not know enough about which variables impact how effectively the M&A integration process is carried out. In this paper, we aim to contribute to the M&A literature by developing and testing a framework of factors that impact M&A integration effectiveness. We draw on the knowledge based and organizational learning perspectives and examine how pre-acquisition factors (acquirer experience, similarities and complementarities between the merging firms, as well as acquisition goals) and post-acquisition factors (target firm autonomy and integration speed) impact post-acquisition integration.

The Role of Middle Managers in Acquisition Integration
Gustavo Birollo, HEC Montreal

The integration process during an acquisition sets the tone for success of the new deal where middle managers can be considered the “change interpreters”. This work bases itself on the experiences of the actual people that build the day-to-day, recalling their vision using a qualitative approach through open-ended interviews. The integration merges the evident feelings of “uncertainty” and “apprehensiveness” of the local middle management group with those of “solitude” and “ambiguity” of the takeover middle management group facing an alien and not always favorable environment. This work unveils the eagerness and impossibility of the local middle management to influence the integration process strategy (bridging) and the efforts of the corporate middle management group to show themselves as models for the corporate working values (showing values).

SESSION 133
ADOPITION AND DIFFUSION

Adoption of New Innovations: A Focus on Demand Heterogeneity
Matt Theeke, George Mason University
Maheshkumar Joshi, George Mason University

Examining the determinants of technological adoption can help researchers understand the emergence and diffusion of new technologies. In this study we examine how demand heterogeneity emanating from different customer bases affects utility firms’ decisions to make investments in clean energy technologies. Specifically, we explore how the interaction among utility firms and different groups of customers influences the decision by these utility firms to adopt a wind or solar technology. Based on a longitudinal study of U.S. electric utility firms over a ten year period, we demonstrate that the influence of powerful customer groups can impede the adoption of new technologies, but that this constraint can be managed through price concessions between customer groups. This study contributes to the emerging literature on customer-driven innovation.

Gender, the Adoption of Social Network Sites, and the Role of Gender Inequality
Claus Gerckens, University of Erlangen-Nuremberg
Andreas König, University of Erlangen-Nuremberg
Peter Baumgart, University of Erlangen-Nuremberg

We combine gender research and technology adoption theory to hypothesize how, why, and under which circumstances differences between sexes affect their use of social network sites (SNS). Building on gender theory, we argue that women are likely to use SNS more than men, particularly because: women perceive SNS as more useful, women feel stronger social incentives to use SNS, and women show a higher hedonic motivation to use SNS. We also suggest that the effects of gender on SNS usage increase as the level of gender inequality rises. We find substantial support for our propositions in data gathered from 8,644 survey participants from eleven countries in 2011. Significant implications of these results for management and information systems research are discussed.

Physician Heal Thyself: Changes in Decision Making After Information Shocks
Brad Greenwood, University of Maryland
Ritu Agarwal, University of Maryland
Rajshree Agarwal, University of Maryland
Anand Gopal, University of Maryland

Rapid response to information shocks is critical in knowledge-intensive domains where the scientific body of knowledge changes frequently. Not only must decision makers update routines when confronted with novel information, they must also apply it appropriately. We examine the response to information shocks in the context of stenting decisions by physicians in light of new information about their efficacy released through medical guidelines. Using within-subject estimates of physician stenting decisions after the release of new guidelines on a census of patient admissions into hospitals in the State of Florida from 2001 to 2010, we find that although physicians are able to discern cases for which the new information is relevant, their routine adjustment is not swift; resulting in significant adverse outcomes for public welfare.

Ready, Steady Green: How Innovation Characteristics and Strategic Policies Influence the Innovative Consumers’ Adoption of Eco-Innovations
Martin Petschnig, EBS University of Business and Law
Sven Heidenreich, EBS University
Patrick Spieth, EBS University

To induce diffusion of eco-innovations such as alternative fuel vehicles (AFVs) it appears crucial to enhance our understanding of determinants and essential strategic policies compelling consumer adoption of AFVs. Nonetheless, current research still lacks studies that follow an integrative perspective by empirically examining both innovation and consumer characteristics as determinants of AFV adoption. Furthermore, current studies fail to explore the impact of external policy factors of AFVs on the adoption decision of consumers. This article addresses these shortcomings by designing and empirically validating three consecutive adoption models. Results confirm that adoption of eco-friendly innovations is
positively related to consumer innovativeness. In turn this effect is mediated by perceptions of innovation characteristics and intensified by external policy factors. The findings provide ample theoretical and managerial contributions.

SESSION 142
PATENTS AND IPR

<table>
<thead>
<tr>
<th>TRACK I</th>
<th>Date</th>
<th>Tuesday, Oct 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>08:00 – 09:15 h</td>
<td></td>
</tr>
</tbody>
</table>

Paper

Session Chair
Rafael Corredoira, University of Maryland

Integrating and Extending Transaction Cost Economics and Property Rights Theory for Complex Asset Acquisition Transactions
Larry Tribble, University of Alabama
David Croson, Southern Methodist University
Paul Drnevich, University of Alabama

Transaction cost economics (TCE) and Property Rights theories examine the acquisition of complex assets, such as enterprise-level information systems (IS), that drive overall firm performance. Such complex-asset acquisitions are risky and failure-prone, making the ability to apply theory-based transaction governance valuable, despite continued debate on its proper application. Recent research presents a formal taxonomy of hybrid governance forms, which considers ownership scenarios and incentives of transaction parties. An integration of this work with the Grossman, Hart, and Moore (GHM) Property Rights model may facilitate its application to the complex-asset context. Therefore, we formally model the integration of the hybrid taxonomy with the GHM model. Through doing so, we incorporate incentive effects into GHM offering contributions to address criticisms and strengthen complex-asset acquisition theory.

Measuring Patent’s Influence on Technological Evolution
Rafael Corredoira, University of Maryland
Preeta Banerjee, Brandeis University

We introduce technological influence to measure an invention’s direct and indirect impact on technological evolution. This provides a novel means to study the short and long run effect of invention antecedents on technological evolution, invention activity and economic growth. This proposal compares models of technological influence and direct technological impact. Preliminary results from quantile regression estimations -- based on semiconductor patents granted over a 5-year period -- show significant differences in the relationships between antecedents of technological influence and impact and make evident differences in scale and significance among antecedents for different populations. They highlight the need for deeper understanding of the micro-foundations of the technological evolution and question whether current IP systems adequate economic incentives to promote actions driving economic growth.

Reducing Transaction Costs in the Current Context of Multiple-Owned Innovations
Dante Ignacio Leyva de la Hiz, University of Granada
Juan Alberto Aragon-Correa, University of Surrey
Jose De la Torre-Ruiz, University of Granada

A single innovation may contain thousand of patents owned by multiple organizations that can exclude each other or appropriate the quasi rents generated by others technological developments. Whereas advocates of patent races argue that organizations may reduce these transaction costs by increasing the number of patents related to that innovation we propose the opposite strategy, i.e. a firm’s technological divergence. Hence, we hypothesize that firms with high levels of asset specificity, firm size and under high environmental uncertainty invest in less “overcrowded” areas, and that such as approach leads to higher firm market-based performance, as measured by Tobin’s Q. We employ a longitudinal analysis of 7,158 environmental patents from the 50 largest companies in the Electrical Components & Equipment industry worldwide during the period of 2005-2009.

Technological and Complementary Asset Redundancies in Technology-Based Firm Acquisitions: The Impact of IP Intermediaries
Senem Aydin, Bocconi University

In this study, I examine the determinants of technological and complementary asset redundancies in technology-based firm acquisitions. Building on resource-based view and market for technology literatures, I assert that increase in the efficiency of intellectual property (IP) market, in terms of patents and trademarks, and the indivisibility of technology have an impact on the resultant post-acquisition asset redundancies. By introducing the emergence of IP intermediaries as a shock to the market as an efficiency enhancer, this study aims at presenting the differences in IP intensive and less IP-intensive industries, as well as, the differences in the U.S. and EU markets.

SESSION 149
TEAM DYNAMICS AND INNOVATIVE PERFORMANCE

<table>
<thead>
<tr>
<th>TRACK I</th>
<th>Date</th>
<th>Tuesday, Oct 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>08:00 – 09:15 h</td>
<td></td>
</tr>
</tbody>
</table>

Paper

Session Chair
Michael Howard, Texas A&M University

Effect of Mutual and Special Knowledge in Outsourced Software Development Projects
Joydeep Chatterjee, University of Washington-Bothell
Kannan Srikanth, Indian School of Business

This paper investigates under what conditions knowledge available to team members leads to positive performance outcomes. We hypothesize that specialist knowledge available to teams is unlikely to be useful in the absence of adequate mutual knowledge that enables the team members to coordinate their work efforts. We test this hypothesis in a sample of offshored software services projects and find that both too little and too much mutual knowledge are detrimental to project performance. Prior studies use prior team experience as a proxy for mutual knowledge, which is also compatible with other causal explanations for this result. We use a more accurate measure of mutual knowledge in the form of investments in human capital, which allows us a measure of confidence in the underlying mechanism.

Technological Modularity, Team Communication, and Team Cohesion in New Product Development: A Study of a Japanese Software Service Firm
Zheng Zhao, University of Kansas
Ryoichi Kubo, Kyoto Sangyo University
Junichi Yamanoi, Chuo University

This paper investigates the effect of technological modularity on new product development (NPD) performance. We study the direct impact of technological modularity on NPD performance. More importantly, we examine the moderating effect of technological modularity on the impact of team-level communication and cohesion on NPD performance. Through a survey study of 44 product development teams in a Japanese software service firm, we intend to find out does technological modularity improve NPD performance directly, does technological modularity reduce the dependence of NPD performance on team cohesion, and does technological modularity reduce the reliance of NPD performance on team communication.
Upper Echelons and Open Innovation: Modeling the Multilevel Management Antecedents to Firm Openness

Alexander Alexiev, Vrije Universiteit Amsterdam

Although there has been a growing base of evidence that upper echelons matter in the pursuit of important innovation outcomes for the firm, little is known about their role in the development and management of open innovation initiatives. In this paper, we test how and why upper echelons may be involved in making firm innovation more open. Firm openness is conceptualized as practices and partnerships where organizational internal and external boundaries are crossed. Hypotheses are developed about antecedents to openness on CEO and TMT level, as well as with regard to the influence of external change agents. We demonstrate a more nuanced picture about how upper echelons might play a role in firm openness and suggest avenues for further exploration of this topic.

Who’s Inventing and How? Human Capital Strategy and New Venture Commercial Performance

Warren Boeker, University of Washington
Emily Cox, Stanford University
Michael Howard, Texas A&M University
Amrita Lahiri, University of Washington

Networks of collaborative ties among knowledgeable professionals are central to the innovation process, especially in new ventures. We examine the structure of collaboration among the scientific teams of new ventures and how collaboration affects successful product introductions. We develop and test hypotheses on a sample of 170 minimally invasive surgical device manufacturers from the founding of the industry in 1986 to 2007. Our preliminary results show that the proportion of individuals with prior experience inventing together, the extent to which these inventors work in more tightly clustered relationships, and the patenting behavior of the ventures’ founders all have an important influence on successful product introductions.

SESSION 21
BEHAVIORAL THEORY & STRATEGIC ENTREPRENEURSHIP

TRACK K  Date Tuesday, Oct 1
Time 08:00 – 09:15 h

Paper Room Redwood Room

Session Chair Kimberly Eddleston, Northeastern University

Assessing the Flaws in the Conceptualization of Effectuation

Richard Arend, University of Missouri

Effectuation is a relatively new theory and construct in the entrepreneurship literature with little empirical testing and little critical analysis. Motivated by disappointing results from a preliminary test of the tenets of effectuation, we reviewed the theoretical tenets of the concept. We argue that: effectuation is not a coherent construct; effectuation does not delineate entrepreneurs from managers; and, effectuation is likely a detrimental set of processes for entrepreneurs to pursue in dynamic environments. We analyze the conceptualization of effectuation to identify logical flaws and theoretical miscues. We then we discuss the implications for theory-building in entrepreneurship.

Family and Nonfamily Firm Risk: How Managerial Incentives Encourage Downside Risk

Todd Alessandri, Northeastern University
Kimberly Eddleston, Northeastern University

Traditional views of family ownership suggest that family firms are risk averse. However, recently this view has been challenged by research that shows that family firms become risk seeking when their socioemotional wealth is threatened. In this study we employ a downside risk perspective of family ownership to explore family and non-family firm risk preferences. Downside risk captures managerial views on risk as the potential for loss. We argue that family firms will accept higher levels of downside risk than non-family firms in order to protect family interests. We then examine the role of managerial incentives on downside risk. The findings demonstrate a positive relationship between family firms and downside risk and highlight strong interaction effects between family firms and managerial incentives on downside risk.

From Hobby to Business: Entrepreneurial Intentions in Homebrewing

Vita Kadile, Leeds University Business School
Alessandro Biraglia, Leeds University Business School

The study investigates the role of entrepreneurial passion and creativity as antecedents of entrepreneurial intentions, applying entrepreneurial self-efficacy as a mediator in this relationship. This is applied to the context of American homebrewing seen as an ‘incubator’ of business start-ups in the craft brewing industry across the United States. Results demonstrate entrepreneurial passion having a strong positive relationship with intentions, even without the mediating effect of self-efficacy. Therefore, individuals who are passionate about their hobby and founding a company are most likely to engage in a business start-up. Conversely, entrepreneurial self-efficacy mediates the creativity-intentions relationship, confirming that highly creative individuals do not necessarily want to become prospective entrepreneurs. Findings contribute to the advancement of entrepreneurial passion and self-efficacy theories in the field of entrepreneurial intentions.

The Role of Judgment and Decisions in New-Venture Formation: Toward a Behavioral Model

Michael Holmes, Florida State University
Tim R. Holcomb, Florida State University
Peter Klein, University of Missouri
Duane Ireland, Texas A&M University

We develop a behavioral model of entrepreneurs’ judgments and decisions in forming new ventures. We define and explain the role of three distinct judgments: feasibility judgments, absolute judgments, and comparative judgments, explaining how each shapes entrepreneurial decisions. The model captures the relative effects and interactions among these roles and explains how heuristics, personality, and behavioral tendencies (e.g., loss aversion) influence judgments and decisions over time. Our analysis (1) improves understanding of the different judgments entrepreneurs make, (2) explains how judgments manifest in choices, (3) explains how judgments and decisions evolve, and (4) shows how similar yet distinct constructs fit together.

SESSION 224
TECHNOLOGY AND ENTREPRENEURSHIP

TRACK K  Date Tuesday, Oct 1
Time 08:00 – 09:15 h

Paper Room Pecan Room

Session Chair Srinivasan Raghavan, Indian Institute of Management-Bangalore

Clarifying the Entrepreneurial Process: A Systems-Based Framework of Knowledge Flows

Thomas Craig, Temple University

We holistically examine entrepreneurship and address a persistent challenge to advanced theory building: the need to clarify the process through which opportunities are identified and pursued. We focus on knowledge - a central component of the process - and develop a systems-based framework that reveals the topographic structure of knowledge
flows within and across organizational boundaries. Applying insights derived from this framework, we generate propositions to guide further investigation into the nature and role of knowledge in entrepreneurial organizations.

### Impact of Industry Life Cycle on Name Choice of Entrepreneurial Firms in the Biotechnology Industry

Irina Stoyneva, Drexel University

In this paper, I propose a model that explores the impact of industry life cycle on the name choice of entrepreneurial firms in the field of biotechnology. Drawing on the population ecology and rational selection perspectives, we hypothesize that the stage of the industry development will be related to the trends of conformity and innovativeness of the names selected by entrepreneurial firms. Utilizing the variation, selection, and retention model proposed by population ecology scholars, I develop a mechanism that explains the relationship between the industry life cycle stage and the name choice of a start-up. I test the model on 844 entrepreneurial firms in the field of biotechnology.

### Parent Hostility and Spin-Out Performance

Sascha Walter, Lancaster University
Simon Heinrichs, University of Kiel

Achim Walter, University of Kiel

Prior research has focused on the performance implications of positive or neutral parent-child relationships, but neglected negative, conflict-laden relationships. This study explores whether and when parent hostility (degree to which a parent firm disapproves the spawning of an own spin-out) affects spin-out performance and how spin-outs can effectively react to it. We adopt an embeddedness perspective which allows us to theorize on hostility effects not only within the dyad, but also within the wider network of the parent and child firm. Analyses of 144 technology spin-outs support our arguments that spin-outs suffer from hostility. Hostility consequences are, however, less severe if market turbulence is high or if the spin-out pursues effective network development.

### Suguna Foods Limited – Entrepreneurial Growth Through Inclusive Innovation

Srinivasan Raghavan, Indian Institute of Management-Bangalore

The notion of for-profit corporations contributing to inclusive growth through innovations and other sustainable business models is recent. George, McGahan, & Prabhu (2012) edited a special issue of the Journal of Management Studies (June 2012) on inclusive innovation. In this paper, I present a case study of Suguna Foods Ltd. that exemplifies institutional entrepreneurial innovation through its unique contract farming model, creating millions of rural entrepreneurs in India. I analyze this innovation through various theoretical lenses and highlight the need for studying the antecedents of such strategies.

### SESSION 218

**CONTROL AND COOPERATION**

**TRACK L**

Date: Tuesday, Oct 1
Time: 08:00 – 09:15 h

Paper

Room: Int’l Ballroom B

Session Chair: Flore Bridoux, University of Amsterdam

**Cleaning House: The Impact of Information Technology on Employee Corruption and Productivity**

Lamar Pierce, Washington University-St. Louis
Daniel Snow, Brigham Young University

Despite growing evidence that employees engage in widespread misconduct, little is known about the efficacy of potential solutions to these problems. Consequently, is unclear how a manager can remediate the problem. In this paper, we study the impact of one potential solution to this problem: information technology that helps managers monitor employee behavior. We use detailed theft and sales data from 235 restaurant locations from three different firms that adopt an IT product that reveals theft by specific employees. Using difference-in-differences models, we find significant treatment effects of the technology on employees, both in reducing theft and in improving productivity and profitability. This methodology also allows us to decompose restaurant performance improvement to individual-level processes that suggest multi-tasking by employees and shift adjustment by managers. Consistent with evidence from behavioral ethics, many “corrupt” employees seem to be amenable to remediation through managerial intervention.

### Common Ground and Delegation: The Role of Human Resource Management Practices

Magdalena Dobrajska, Copenhagen Business School
Nicolai Foss, Copenhagen Business School
Jacob Lyngsie, Copenhagen Business School

Much recent research suggests that firms need to increase their level of delegation to better cope with, for example, the challenges introduced by dynamic rapid environments and the need to engage more with external knowledge sources. However, there is less insight into the organizational preconditions of increasing delegation. We argue that key HR practices—namely, hiring, training and job-rotation—are associated with delegation of decision-making authority. These practices assist in the creation of shared knowledge conditions between managers and employees. In turn, such a “common ground” influences the confidence with which managers delegate decision authority to employees. To test these ideas, we match a large-scale questionnaire survey with unique population-wide employer-employee data.

### Managing Control for Performance and Sustainable Advantage in Distributed-Work: A Deleuzian Approach

Mathieu Chauvet, EDC Paris

Many organizations have introduced distributed-work in order to take advantages of economical, ecological or managerial benefits. In parallel, organizations need to take into consideration the numerous challenges related to the unprecedented changes generated by the significant development of ICTs. In order to successfully manage the relationships between distributed individuals, maintaining a form of supervision and discipline remains necessary as control is the ultimate means for the hierarchy to bridge the issue of distance. Thanks to a framework based on works of French philosopher Gilles Deleuze, we aim to observe how the management of control can have an impact on the performance of distributed-work entities, so that constituting a sustainable advantage for the organization. We finally observe that performance in distributed-work will be based on specific core values: visibility, responsiveness and modulation of individuals.

### Organization Forms and Cooperation in Firms: A Relational Approach

Flore Bridoux, University of Amsterdam
J W Stoelhorst, University of Amsterdam

We contribute to the literature on microfoundations and human capital by studying the impact of four elementary organization forms identified by Fiske on cooperation among employees. Fiske’s authority ranking, market pricing, and communal sharing can be equated with hierarchy, market, and clan, but his theory suggests a fourth form, equality matching, and gives new insights into the impact of organization forms on cooperation. We show with an experiment that organization forms not only affect the relationship between the firm and its employees, but also the relationships among employees. In particular, our results indicate that, compared to communal sharing and equality matching, authority ranking and market pricing lead to lower cooperation because of lower levels of trustworthiness of other employees as well as of the firm.
The results indicate the existence of the dominance phenomenon in the companies in the period from 2008 to 2010 from four different industries. Defined: empirically verify whether the dominance occurs, the hierarchy a preferential way in relation to others. Three specific objectives are the ability of a stakeholder to obtain resources to meet its demands in

**SRF Doctoral Student Panel**

Session Co-Chairs
- Tomi Laamanen, University of St. Gallen
- Catherine Maritan, Syracuse University

Panelists
- Navid Asgari, National University of Singapore
- Vanessa Burbano, University of California-Los Angeles
- Seth Carnahan, University of Maryland
- Panayiotis Georgalis, HEC Paris
- Mahka Moeen, University of South Carolina

This session will showcase research supported by the Strategy Research Foundation (SRF) Dissertation Research Program. This competitive grant program for doctoral students supports the SRF mission of facilitating important strategic management research that solves the practical, contemporary problems facing managers. The Directors of the 2012 Program will moderate a discussion in which SRF Dissertation Scholars will present highlights of their funded work.

---

**SESSION 232**

**SPECIAL TRACK**

<table>
<thead>
<tr>
<th>TRACK S</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Panel</td>
<td>Tuesday, Oct 1</td>
<td>08:00 – 09:15 h</td>
<td>Int'l Ballroom E</td>
</tr>
</tbody>
</table>

**SRF Doctoral Student Panel**

Session Co-Chairs
- Tomi Laamanen, University of St. Gallen
- Catherine Maritan, Syracuse University

Panelists
- Navid Asgari, National University of Singapore
- Vanessa Burbano, University of California-Los Angeles
- Seth Carnahan, University of Maryland
- Panayiotis Georgalis, HEC Paris
- Mahka Moeen, University of South Carolina

This session will showcase research supported by the Strategy Research Foundation (SRF) Dissertation Research Program. This competitive grant program for doctoral students supports the SRF mission of facilitating important strategic management research that solves the practical, contemporary problems facing managers. The Directors of the 2012 Program will moderate a discussion in which SRF Dissertation Scholars will present highlights of their funded work.

---

**SESSION 189**

**VARIETY IN FIRM-STAKEHOLDER RELATIONSHIPS AND EFFECTS**

<table>
<thead>
<tr>
<th>TRACK M</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Ground</td>
<td>Tuesday, Oct 1</td>
<td>08:00 – 09:15 h</td>
<td>Walnut Room</td>
</tr>
</tbody>
</table>

**New Dimensions to Firm-Stakeholder Relationships through Social Media: Examination of Electric Power Companies’ Twitter Accounts**

Eun-Hee Kim, George Washington University
Yoono Youm, George Washington University

Social media has been gaining popularity. Not only individuals but large organizations have started to increasingly use social media. In this paper, we explore how the new dimensions that social media tools have added in the relationships between firms and external stakeholders—less formal and more frequent interactions—change the dynamics of the relationships and how the changes in turn may affect firm performance. We find that firms use Twitter to build rapport with external stakeholders among other purposes, and this in turn has positive implications for firm performance. We also find that useful tweets as judged by stakeholders have positive consequences for firm performance.

**Stakeholder Prioritization: The Industry Relationship**

Joao Mauricio Boaventura, University of Sao Paulo
Rodrigo Bandeira-de-Mello, Getulio Vargas Foundation
Mario Monzoni, Getulio Vargas Foundation
Roberta Simonetti, Getulio Vargas Foundation
Keysa Mascena, University of Sao Paulo

In this paper the phenomenon of the stakeholder dominance is studied: the ability of a stakeholder to obtain resources to meet its demands in a preferential way in relation to others. Three specific objectives are defined: empirically verify whether the dominance occurs, the hierarchy of stakeholders in the dominance, and if the stakeholder dominance varies for companies from industry to industry. The sample covers 60 Brazilian companies in the period from 2008 to 2010 from four different industries. The results indicate the existence of the dominance phenomenon in the

Brazilian companies under study and that the hierarchy of stakeholders’ dominance varies from industry to industry. Nevertheless, a statistical test, with the coefficient of variation of the samples, did not reinforce this association in all cases.

**Straight from the Horse’s Mouth: When Organizations Proactively Signal Corporate Criminal Convictions**

Jason Pierce, Adolfo Ibañez University
Suzanne Carter, Texas Christian University
Ryan Krause, Texas Christian University

We investigate the phenomenon of “negative signaling”, wherein firms proactively signal bad news to stakeholders. Specifically, we examine a sample of 164 corporate criminal convictions between 1990 and 1999, 30 of which the firms signaled in advance. Our results show that firm size, firm performance, and the size of the corporate penalty all impact the likelihood that a firm will signal its conviction to stakeholders. We discuss the implications of these findings.

**The Board of Directors and Corporate Social Performance**

Li-Ting Hsiao, Aletheia University
Chih-Pin Lin, University of Texas at Arlington

Drawing on agency theory as the dominant theoretical base and complemented by institutional theory, this study argues that when the board is more controlled by shareholders, other shareholders’ benefits will be sacrificed. When the board members hold more shares of the firm, the firm will focus more on shareholder value and less on other shareholders’ benefits, decreasing its corporate social performance. Independent outside directors may balance shareholders’ control power in the board, decreasing shareholder value orientation of a firm and increasing corporate social performance. Moreover, board ownership negatively moderates the positive relationship between independent outside directors and corporate social performance. The above arguments are particularly true in an emerging economy where formal institutions that protect stakeholder benefits are weak.

**The Moderating Role of Corporate Social Performance on the Relationship Between Corporate Governance and Financial Performance**

Yijiang Zhao, Texas Christian University
Timothy Hart, Oklahoma State University

Decades of corporate governance research has found that governance systems must be implemented in light of the unique contexts in which firms operate. We argue that the level of Corporate Social Performance (CSP) within firms is a critical context to consider when evaluating the effectiveness of governance systems. Based on initial findings of a multi-year panel, we find that high levels of CSP moderates the relationship between various corporate governance systems and financial performance (FP) such that when firms have high levels of CSP, strong governance produces worse FP.

**Trade-offs in Managing for Stakeholders: Power and Strategic Flexibility**

Suzanne Carter, Texas Christian University

The question of what makes one stakeholder more salient than others is particularly true in an emerging economy where formal institutions that protect stakeholder benefits are weak.
managerial consideration of situations that may lead the firm to future changes in its competitive positioning (i.e. Porter, 1991). The purpose of this paper is to resolve this conflict with an exploration of the tradeoffs between power and strategic flexibility.

### SESSION 10

#### COOPERATION AND INNOVATION

<table>
<thead>
<tr>
<th>TRACK N</th>
<th>Date</th>
<th>Time</th>
<th>Paper</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tuesday, Oct 1</td>
<td>08:00 – 08:15 h</td>
<td>Corey Phelps, HEC-Paris</td>
<td>Sycamore Room</td>
</tr>
</tbody>
</table>

**Cluster Size: A Determinant of Structural and Relational Embeddedness in Inter-Firm Networks**

Wonsang Ryu, Purdue University

Integrating the agglomeration theory and the network theory, this research investigates how cluster size affects the member firms’ network formation and consequent innovation performance. We argue that since the member firms tend to rely more on in-cluster ties as their cluster size increases, the network density in clusters increases in cluster size. We also claim that since the governance benefit of strong ties is redundant in a dense network, as cluster size increases, the relative advantage of weak ties over strong ties increases. In addition, we argue that only the firms following this logic will benefit from belonging to clusters in terms of innovation performance. We tested this argument in the US semiconductor industry from 2000 to 2011 and the data supported our argument.

**Contracting for Innovation: Defining an Exchange the Fosters Creativity While Mitigating Opportunism**

Kyle J. Mayer, University of Southern California
Zhe Xing, University of Southern California
Pablo Mondal, University of Southern California

Innovation is a central part of the competitive advantage of many firms and indeed is prerequisite to compete in many industries. One way firms seek to improve their innovative output is by working closely with partners. We explore how firms govern inter-firm transactions that require innovation in order to complete. By incorporating insights from social psychology to complement TCE, we argue that firms can improve their chances to generate innovative outcomes in inter-firm transactions. Using a sample of contracts from the information technology services industry, we find that in the presence of exchange hazards, innovation leads to less use of detailed task descriptions and hybrid payment systems, but led to more extensive contingency planning.

**Convergence and Divergence of Technological Profiles Under Different Network Conditions: A Dynamic Perspective**

Jojo Jacob, UNU-MERIT
Geert Duysters, Eindhoven University of Technology

In a departure from the existing research on knowledge exchanges in inter-firm networks, this paper focuses on the dynamic aspects of knowledge sharing within a network. Employing a 10-year panel data set consisting of over 800 firms in the bio-pharmaceutical industry we find evidence that firms in blocks tend to develop similar technological profiles over time, implying cognitive lock-ins. Furthermore, we show that firms that are located closer to each other in a network display higher levels of resemblance compared to firms who are farther apart. However, the path length of ties between two firms has a lower effect on technological similarity when firms are not members of the same block.

### SESSION 45

#### YELLOW SUBMARINE: DIRECTOR CHARACTERISTICS

<table>
<thead>
<tr>
<th>TRACK O</th>
<th>Date</th>
<th>Time</th>
<th>Paper</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tuesday, Oct 1</td>
<td>08:00 – 08:15 h</td>
<td>Elizabeth Lim, Georgia State University</td>
<td>Int’l Ballroom C</td>
</tr>
</tbody>
</table>

**An Integrated Agency and Resource-Dependence View of Board Interlocks, Ownership, and Firm Performance**

Elizabeth Lim, Georgia State University
Toru Yoshikawa, Singapore Management University

Agency theory focuses on the monitoring duty of directors while resource-dependence theory emphasizes on their resource provision activities. Utilizing an integrated framework of agency and resource-dependence theories, we propose that board interlocks influence firm performance depends on who establishes the interlocking ties. We suggest that the interlocks of non-executive independent directors (NEIDs) have a positive influence on firm performance while the interlocks of non-executive dependent directors (NEDDs) exert a negative effect. We also contend that different ownership types have significant moderating effects. We argue that board ownership positively moderates both NEID and NEDD ties, while state ownership negatively and positively moderate NEID and NEDD ties respectively. Our hypotheses were largely supported.

**Boards and the Adoption of Novel Practices: Integrating Network and Heterogeneity Perspectives**

W.G. Douglas Fernandez, Florida International University
Jose Geleilite, Florida International University

How do boards influence firms’ decisions to adopt novel practices? A large body of literature examines the role of board networks (interlocks) in predicting the adoption of new practices, structures, and strategies. However, we know relatively little about the role of board heterogeneity in promoting the adoption of novel practices. Which is more important: external ties or internal characteristics? We propose that board heterogeneity, while under-studied, is a more important predictor of novel practice adoption. Empirical findings from a panel of S&P 500 firms support these predictions. Our findings suggest that while external networks are important strategic resources for firms, the internalized, deep-rooted values and cognitive biases associated with director characteristics make board heterogeneity a stronger influence in the strategic decisions.
Boards of Directors and Monitoring of Strategy Implementation: An Effectiveness Model
Marcio Amaral-Baptista, Pontifical Catholic University of Rio de Janeiro
Maria Angela Melo, Pontifical Catholic University of Rio de Janeiro
T Diana de Macedo-Soares, Pontifical Catholic University of Rio de Janeiro

We present a model of non-structural factors that affect the effectiveness of boards in monitoring strategy implementation (SI). Going beyond the recent research on boards, focused on structure and performance, we use a team production theory approach to investigate the influence of board-level factors such as chairperson leadership, access to information, business knowledge, work dynamics and attention to SI monitoring. A two-step research method was used, consisting of interviews with a panel of experienced board directors and a survey with 217 board directors of Brazilian firms. Our final structural model confirmed all the hypothesized relationships among the constructs and explained 54% of the variance observed in Effectiveness in SI Monitoring. We found multiple mediations among the constructs, and chairperson leadership emerged as a key antecedent.

The Influence of Directors on Regulatory and Legal Environments After Discovery of Executive Malfeasance
Curtis Wesley, Indiana University

This paper investigates the role of specific types of directors as protectors of firm interests in the aftermath of wrong doing by firm management. We posit that certain types of directors (support and business experts) lessen the likelihood of government action against the firm, whether legal action is taken against the firm, and whether a financial settlement occurs as a result of management misconduct. We also suggest larger firms are not only more likely to be targeted by external stakeholders but also director support is less effective for more valuable firms. We generally find support for our hypotheses.

SEANCE 201

DYNAMICS DRIVEN BY MANAGERIAL BEHAVIOR

Deathward Rhythm: Dynamics Of Core Production Routines In Declining Firms In The US Pharmaceutical Industry
Mahua Guha, University of North Carolina-Chapel Hill

In this study, I identify how do publicly-traded US pharmaceutical firms that file for bankruptcy differ from their sustainable and surviving counterparts. Here, I tie the two distinct bodies of literature on: organizational decline, and organizational routines. Then, I address the following research questions that are at the intersection of these two bodies of literature: Do organizational routines (specifically core production routines) change in declining firms over the last five years prior to their bankruptcy filing? If yes, then how is this change in core production routines different in declining firms and in their matched surviving firms? I draw upon the behavioral theory of the firm (Cyert and March, 1963) in order to address these questions.

Perceived Managerial Discretion in Strategy Implementation: The impact of Core Self Evaluation and Central Role
Rebekka Skubinn, University of Hannover

Perceived managerial discretion has a major impact on firm performance by settings the frame for managers’ actions. We investigate the impact of core self evaluation and role centrality in the strategy process on perceived discretion in strategy implementation. Illustrating our theory in an analysis of strategy implementation practitioners we find that core self evaluation as well as a central role in the strategy process increase perceived managerial discretion during strategy implementation.

Psychological Pressure in Competitive Environments: Analysis of Processes through a Simulation Study
Tom Vandebroek, IESE Business School
Govert Vroom, IESE Business School

In spite of recent advances, our understanding of the actual psychological processes at play in competitive environments, and of their individual effects, remains somewhat akin to that of a “black box”. We argue that a useful means to gain deeper insight is to complement empirical studies with more theoretical development. Specifically, we demonstrate that a simulation approach is a powerful tool, not only to understand and disentangle individual effects at play, but also to make sense of recently published discrepant findings. We employ the simulation approach as a primary tool towards theory building to advance our understanding of the relationship between psychological pressure and performance outcomes in competitive settings.

Searching for Sustainability: Identity and Structure in Rapidly Developing Industries
Luciana Silvestri, Harvard University

A particularly challenging process in the development stage of the industry life cycle is that of creating a viable structure. It is not unusual to see formal structure “lagging behind” actual work processes, especially when the development stage is fast-paced, because opportunities surrounding products and markets arise and vanish with staggering speed. The purpose of this in-depth qualitative inductive study of a unit within CLICK, a player in the rapidly evolving social media industry, is to demonstrate how an evolving sense of collective and individual identity can help support critical work processes and generate momentum for the redefinition of formal structure. By guiding structuration processes in the development stage, identity has crucial impact on organizational sustainability.

The Dynamic Interaction of Capabilities, Incentives and Managerial Beliefs in Incumbent Selection of Product Architecture
Daniel Engler, New York University

While products and product markets are central to theoretical perspectives in strategy and have been shown to influence important firm outcomes, we lack an adequate theoretical understanding of the determinants of product design. This research examines the joint influence of preexisting firm capabilities, internal and external incentives and managerial beliefs on market incumbent choice of product architecture. I triangulate across methods, using an agent-based computer simulation in combination with a case study. This allows my research to benefit from both the nuanced understanding of mechanisms allowed by a case study with the theoretical generality afforded by the experimental control of a simulation.
Urgency as a Soft-Power Strategy in Nascent Industries: The Case of Electric Vehicles in Finland
Christopher Rowell, Aalto University
Robin Gustafsson, Stanford University
Markus Paukku, Aalto University
We study how firms use urgency as a soft-power strategy for encouraging and coordinating collective action in nascent industries. Our findings arise from a real-time longitudinal empirical study during 2012-2013 of the emerging electric vehicle industry in Finland. We follow 26 individuals engaged in a government-led innovation program over one year. We find that managers can convey urgency to others by framing windows of opportunity across different levels of analysis, and framing asynchronicity across actors and levels in a nascent industry. We demonstrate the relevance and application of urgency as a soft-power strategy for encouraging and coordinating collective action and shaping boundaries as industries emerge. By explicitly addressing the subjective component of time in inter-organizational strategy we contribute to an underdeveloped area of organization literature.

SESSION 102
BUILDING SUSTAINABLE INFRASTRUCTURE

TRACK A&B  Date  Tuesday, Oct 1
Time  08:00 – 09:15 h
Paper
Session Chair  Olga Hawn, Boston University

Managing Interorganizational Interdependencies to Develop Sustainable Interorganizational Competitive Advantage
Rick M.A. Hollen, Erasmus University-Rotterdam
Frans A.J. Van Den Bosch, Erasmus University-Rotterdam
Managing interorganizational interdependencies to develop sustainable competitive advantage is an important issue in the strategy literature. Industrial ecosystems provide a promising research context to investigate this development, triggered by the need to improve resource productivity and environmental performance of constituent firms. These firms use to have a firm-centric view on resource productivity and a transactional approach in managing interorganizational interdependencies. Increasing resource productivity at the interorganizational level, however, requires focusing on interorganizational competitive advantage and a more relational approach. Managerial challenges of the required business model adaptation of increasingly interdependent firms are underexplored. To address this gap, propositions are developed and illustrated in a longitudinal case study of an industrial ecosystem. The findings provide implications for managing the transition process towards sustainable interorganizational competitive advantage.

Public-Private Ties: Organizational Choice, Longevity, and Sustainability in the Global Water Industry
Ilze Kivleniece, HEC-Paris
Bertrand Quelin, HEC-Paris
Public-private ties (or partnerships) are a relatively new and still underexplored phenomenon. These long-term collaborative relationships between private and public actors to deliver public goods or services are interesting organizational arrangements. A third type of actor, investors and financial institutions, also plays an important role in assembling, feasibility and sustainability of these partnerships. By proposing an innovative empirical research study, we aim to shed an important light on both the structural aspects of public-private collaboration (how are these ties organized?) and their performance implications (what determines their longevity?). Conducting our empirical study on the global water industry, we shed light on the main determinants able to explain the stability, duration and sustainability of public-private ties.

Strategic Role of Corporate Social Responsibility in International Expansion of Emerging Market Multinationals
Olga Hawn, Boston University
This paper studies the strategic impact of corporate social responsibility (CSR) in the international expansion of emerging market multinationals (EMMs). EMMs face challenges in cross-border M&As partly due to suspicions about their origin; we argue that they can overcome them by generating social legitimacy with critical actors in host countries from CSR activities in their home countries. The study uses a large-scale quantitative analysis of almost 5,000 cross-border M&A deals from 1990 to 2011, where the acquirers come from Brazil, Russia, India, China, and South Africa. The results show that positive CSR helps overcome home country disadvantages, leading to greater likelihood of and faster deal completion (and vice versa for negative CSR). We contribute to the strategic CSR and neo-institutional literature on legitimacy.

Sustaining Competitive Advantage through Lean Management Systems: A Multimethod Analysis
Arnaldo Camuffo, Bocconi University
Fabrizio Gerli, Ca’ Foscari University of Venice
Starting from the assumption that the adoption of lean management systems may support the creation of a sustainable competitive advantage, this research investigates the relationship between the level of implementation of lean systems, the adoption of “high involvement” management behaviors and the companies’ financial performances, controlling for such variables as the duration of the lean journey and the size of the firm. Through the application of traditional multivariate and qualitative analyses (OLS regressions and fuzzy set/qualitative comparative analysis – fs/QCA), this study validates the view of lean environments as complex and integrated sociotechnical systems, confirming that the configurational approach is the most appropriate to analyze lean systems. In this study we also identified some “high involvement” behaviors that differentiate the best performing companies from the average.

09:15 – 09:45
COFFEE BREAK
Is Green Green?: Insights from Industry and Academia

Session Chair
Frank T. Rothaermel, Georgia Institute of Technology

Panelists
Stuart Hart, Cornell University
Cynthia Kantor, GE Power and Water - Power Generation Services
Edward Rogers, UPS

Addressing ecological challenges and societal needs using innovative strategies is providing significant sustainable business opportunities for leading companies and their customers. In this cutting-edge plenary, industry executives from GE and UPS, and a leading academic will discuss the question “is green green”? The plenary will demonstrate how these companies are putting new strategies into action to drive societal impact. Combining technological innovation with new business processes, GE is helping power producers achieve leaner, cleaner energy at the supply-side of energy. UPS is providing customers with “carbon neutral” shipping options and reducing its carbon footprint with positive NPV strategies of lower-emission alternative fuels vehicles, innovative technology such as telematics data fed through vehicle sensors, and optimized routing systems.

Frank T. Rothaermel is a professor of strategy at the Georgia Institute of Technology and an Alfred P. Sloan Industry Studies Fellow. He holds the Catherine W. and Edwin A. Wahlen Jr. Endowed Professorship and a National Science Foundation CAREER award. He has published over 25 articles in journals such as the Strategic Management Journal, Organization Science, Academy of Management Journal, and Academy of Management Review. He serves (or served) on the editorial boards of the Strategic Management Journal, Academy of Management Journal, Academy of Management Review, Organization Science, and Strategic Organization. Frank Rothaermel is also the author of a leading textbook—Strategic Management. Concepts & Cases—published by McGraw-Hill. He regularly translates his findings for Forbes, the MIT Sloan Management Review, Wall Street Journal, and elsewhere. Frank Rothaermel has received several recognitions including the Sloan Industry Studies Best Paper Award, the Academy of Management Newman Award, the Strategic Management Society Conference Best Paper Prize, the Israel Strategy Conference Best Paper Prize, and the DRUID Conference Best Paper Award.

Stuart L. Hart is the Samuel C. Johnson Chair in Sustainable Global Enterprise and Professor of Management at Cornell University’s Johnson School of Management. He is also Founder and President of Enterprise for a Sustainable World. Before joining Cornell in 2003, he was the Hans Zulliger Distinguished Professor of Sustainable Enterprise and Professor of Strategic Management at the University of North Carolina’s Kenan-Flagler Business School, where he founded the Center for Sustainable Enterprise and the Base of the Pyramid Learning Laboratory. Stuart Hart is one of the world’s top authorities on the implications of environment and poverty for business strategy. In 1999, he was the recipient of the Faculty Pioneer Award from the World Resources Institute for his ground-breaking work in sustainable enterprise. He has served as consultant, advisor, or management educator for dozens of corporations and organizations including DuPont, S. C. Johnson, General Electric, Baxter Healthcare, Wal Mart, the World Economic Forum, and the Clinton Global Initiative.

Cynthia Kantor is Chief Marketing Officer for GE’s Power Generation Services (PGS) business. She is responsible for all marketing-related activities, including developing and delivering a global marketing strategy to best position PGS in the marketplace. She also serves as the Operations Leader for GE’s Services Council, which creates and guides core service growth strategies across the General Electric Company. Cynthia Kantor has been with GE nearly 20 years, working across several businesses within the Company. She has held a variety of leadership roles in product management and risk management, and she has deep domain expertise in marketing, including strategic marketing, product marketing, business positioning and targeting. Prior to joining PGS in October 2012, she served as Chief Strategic Marketing Officer for GE Energy. She managed enterprise-wide strategic plan development, portfolio management, innovation and new business growth strategies. She holds a Bachelor of Science degree in mechanical engineering from the University of Michigan.

Edward Rogers is a Director of Corporate Strategy for UPS. His responsibilities include global scenario planning, enterprise strategic planning, and sustainability strategy development. He served as a U.S. Air Force officer, then as an engineering management consultant with BDM and Coopers & Lybrand Consulting before joining UPS in 1994. With UPS he helped formate an internal consulting group, a process reengineering team, and a program management group. In 1999 he became the Industrial Engineering Manager for the Gulf South district, where he led operational planning, productivity improvement, service quality enhancement, and technology support for that district’s $200 million annual business. In 2002 he joined the corporate strategy group to tackle a variety of special projects.
advantage. Rather than focus on competition within an industry context, we propose an organizing framework comprised of a set of simultaneous asynchronous contests in factor and output markets. The outcomes of these contests are the critical drivers of superior economic returns, transient competitive advantage, and preferred positioning for subsequent contest rounds.

### Knowledge Heterogeneity in Strategic Factor Markets: An Examination of the Role of Knowledge in Resource-Picking

**Rory Eckardt, University of Massachusetts-Amherst**  
**Thomas P. Moliterno, University of Massachusetts-Amherst**  
**Catherine Maritan, Syracuse University**

In this study, we leverage research on the knowledge-based perspective and absorptive capacity to examine the influence of knowledge resources on the development of superior expectations of resource value. Specifically, we argue that a firm’s knowledge resources are likely to impact the ability of firms to recognize and derive value from information about the resources in a given factor market. We empirically investigate these arguments in the context of the annual Major League Baseball (MLB) player draft where franchises have the opportunity to select player resources to join their team.

### Market for Brands

**Christian Lechner, Free University of Bolzano**  
**Gianni Lorenzoni, University of Bologna**  
**Marco Visentin, University of Bologna**

Over the last decade, in the Italian Fashion and Design industries a market for brands has emerged. A considerable number of well-known fashion brands had been acquired by other firms. Most transactions show the overwhelming relevance of the accounting value arising from brands, licensing, sponsorships and outlets franchising, all representing intangible assets. Buyers and sellers show a great diversity. Intrigued by this apparently wide-spread phenomenon in these industries, we developed an original data base of Italian acquired brands in order to understand the typologies and motivations of the acquiring firms. This context gives the opportunity to couple strategic maneuvering and industry evolution with implications for the strategy field and managers.

### Resource Leadership, Resource Co-Creation, and Vulnerability-Aggressiveness Relations

**Wan-Ting Su, National Tsing Hua University**  
**Gideon Markman, Colorado State University**

This study contributes to competitive dynamic research in factor market rivalry; it sheds light on the vulnerability-aggressiveness relations and two moderating variables—resource leadership and resource co-creation. Extant research in product market rivalry shows a positive, linear relations between firm vulnerability and aggressiveness—that is, vulnerable firms are more aggressive, which means that they attack more often. However, we show that in factor markets, firms’ vulnerability-aggressiveness relations follow an inverted U-shaped pattern. We also found that resource leadership and resource co-creation mitigate these inverted U-shaped vulnerability-aggressiveness relations. We contribute to the theory of factor market rivalry because we unearth a countervenitcive vulnerability-aggressiveness pattern—the inverted U-shaped relations rather than linear—and we show how and when resources can help firms reduce competition.
RESOURCES, CAPABILITIES, AND CORPORATE STRATEGY

Managerial Foresight and Corporate Investment
Carl Vieregger, Washington University-St. Louis
Todd Zenger, Washington University-St. Louis

Financial constraints can limit strategic investment and impair firm performance. Two distinct, yet competing hypotheses attempt to explain the suboptimal pattern of firm-level investment behavior resulting from these financing constraints: theories of overinvestment due to agency costs and underinvestment due to information asymmetry. This paper proposes a novel approach by incorporating managerial foresight to investigate the relative prevalence of these competing theories. The results are consistent with an information asymmetry theory of costly financing constraints, where adverse selection leads to a higher cost of external capital and underinvestment problems. Understanding this underlying mechanism should be helpful to corporate boards and senior managers as they seek to moderate the costly effects of financing constraints.

Resource Allocation and Dynamic Capabilities
Dan Lovallo, University of Sydney
David Bardiolet, Bocconi University
David Teece, Berkeley Research Group

Resource allocation processes have been largely overlooked as a key component of dynamic capabilities (Teece et al., 1997). We develop the concept of resource reallocation, that is, the ability of firms to redirect resources across their businesses/projects over time, as a crucial component of dynamic capabilities. In order to study reallocation empirically we propose a number of measures for capital reallocation across the firm’s business units and test their correlation with firm performance. We find an inverted U-shape relationship between the level of firm reallocation and its performance. We also analyze a number of potential antecedents for reallocation and find that increased managerial ownership and firm age lead companies to reallocate less while the number of business units and recent changes in the relative performance of the business units lead companies to reallocate more.

The Impact of Political Capabilities on Firm Performance: An Empirical Investigation
Richard Brown, Temple University
Robert Hamilton, Temple University

While capabilities research has been a dominant theme in the Management literature, empirical studies of the effect of political capabilities on firm performance is sparse. In this paper, we argue that political capabilities are an important aspect of a firm’s strategic repertoire as managing the non-market has become increasingly important. We argue theoretically that firms employ political capabilities and that these capabilities can be a source of advantage. We model the effects of political capabilities variables on firm-level performance. We find support for a positive relationship between PAC intensity and performance as well as strong positive relationship for firms which use both PACs and lobbying. The results derive from a sample of Fortune 500 firms during the years 2005-2010.

Vertical and Horizontal Expansions in Value-Based Models
Gianluigi Giustiziero, University of Michigan

Strategy research has often treated vertical integration and diversification strategies as independent topics. Using a biform model, this paper reconciles the existing chiasm by examining the simultaneous interplay between vertical and horizontal corporate strategies. I find that firms in a classical Williamsonian scenario characterized by “small numbers”, ex ante vertical integration decisions, and ex post bargaining do not necessarily prefer vertical integration to market transactions. Conversely, if one firm in the economy can develop a valuable, rare, inimitable, and non-substitutable resource that favors synergies from horizontal expansion strategies, said firm does strictly prefer vertical integration. Overall, I show that vertical and horizontal corporate strategies may be complements even when governance and production costs increase disproportionately to firm size.

SESSION 153
STRATEGIES FOR EMERGING AND DEVELOPING MARKETS

Institutional Escapism and Internationalization of Family Firms from Transition Economies
Kimberly Eddleston, Northeastern University
Joy Ruihua Jiang, Oakland University
Michael Santoro, Lehigh University
Eltsa Banalieva, Northeastern University

We extend the institutional escapism perspective on firm internationalization by drawing from behavioral agency theory to study the relative internationalization of family firms from transition economies. We analyze how the speed of pro-market reforms (the rate of overall structural adjustment) affects the relative internationalization of family firms from China (the foreign market penetration of family firms relative to other family firms in the industry). We also suggest that this baseline relationship is further modified by the degree of family ownership (the cash flow stake of the family) of the Chinese family firms.

Internationalization Trajectories and Business Models of Emerging Market Multinationals: A Strategic Group Analysis
Margarete Kalinowski, Raman Llul University
Luis Vives, Raman Llul University

This paper intends to throw light on the internationalization trajectories of emerging market multinationals (EMNs) through a strategic group analysis. Despite the uptake of internationalization among firms from emerging markets, questions remain regarding their internationalization trajectories, business model management strategies and their impact on firm performance. To answer these questions, we propose a conceptual framework depicted by two variables: level of institutional difference, and strategic initiatives of leveraging traditional business model or developing a new one. We obtain four possible strategies. Through in-depth case studies of 20 Latin American firms, we identify various mechanisms and variables that play a role in each internationalization trajectory. We then analyze performance differences in each and discuss reasons and factors for the existence of the strategic groups.

State Ownership and the Likelihood of Deal Completion in International Acquisitions: A Study of Chinese Companies Going Abroad
Jiatao Li, Hong Kong University of Science and Technology
Peixin Li, Central University of Finance and Economics
Baolian Wang, Hong Kong University of Science and Technology

State-owned enterprises (SOEs) are often seen as pursuing political goals in addition to economic ones in their actions. SOEs, for example, are often perceived to pursue international acquisitions with a more political
motivation than an economic one. SOEs will thus likely encounter political resistance from the host country firms and governments in cross-border acquisitions (CBAs). Using a sample of international acquisitions made by Chinese acquirers, we find that an acquisition attempt is less likely to be completed when the acquirer is an SOE. This effect is stronger when the institutions of the target country differ from those of China, and when the information about the acquirer is less transparent.

**What is it about Country that Really Matters? Disentangling Country Effects on Firm Performance**

Tunji Adegbesan, Pan-African University
Ebes Esho, Pan-African University

Extant studies have established the importance of firm, industry and corporate-parent effects in the variance decomposition literature. More recently, the importance of country effects has also been established. Competing theories in different academic fields also posit diverse country-level variables that may impact firm performance. However, the factors that constitute country effects have not been delineated in the variance decomposition literature. Furthermore, studies using data exclusively from the African continent are almost non-existent. We broaden current understanding of the drivers of heterogeneous firm performance by delineating country-level variables that are driven by some compelling theories. We also contribute with one of the first high-data-quality, continent-wide, large-sample strategy studies on the African continent.

**SESSION 202 COGNITIVE INFLUENCES ON STRATEGY PROCESS**

**Cognitive Diversity among Senior Managers: An Analysis and Extension of Existing Research**

Codou Samba, University of Houston
Chet Miller, University of Houston

Senior managers set the tone and direction for their organizations. These managers, however, often disagree over fundamental issues related to strategic positioning which may considerably affect how well a firm functions. Unfortunately, three decades of empirical research on such effects has been frustratingly inconclusive. To address this situation, a quantitative synthesis of past research was undertaken. The resulting estimates of effect sizes and across-study variation in effect sizes are helpful in revealing underlying trends in past data. Our empirical results indicate that cognitive diversity among senior managers has meaningful negative effects on intermediate and downstream outcomes, with several moderating factors explaining substantial variance in the six relationships examined here. Our work has implications for upper-echelon, social categorization, rational choice, and political theories.

**Paradoxes of Rational Choice in Strategic Decision Making Processes**

Pooya Tabesh, University of Houston
Chet Miller, University of Houston

Rational-choice theory continues to be a guiding force in strategy process research. Despite this popularity, it has been plagued by criticisms and a mixed empirical landscape. To better understand the causal dynamics, several paradoxes of rationality are explored in our work. Using comprehensiveness of strategic decision making as the focal construct, and building on current theoretical and empirical research, we explain how organizational, environmental, and management-related characteristics create paradoxical alignments between the need for rational approaches and their actual use in organizations. To accomplish our goals, we use behavioral theory of the firm, environmental contingency theory, and upper-echelon theory to show how factors that increase the usefulness of comprehensive approaches simultaneously inhibit their use. A simulation is used to demonstrate some of the effects.

**Reductive Bias in Managerial Mental Models and Implications for Strategic Reasoning**

Shayne Gary, University of New South Wales
MJ Prietula, Emory University
Paul Feltovich, IHMC

We propose five dimensions of difficulty that characterize many of the dynamic decision making strategy problems faced by managers. The five dimensions of difficulty are: Interdependencies, Time Delays, Dynamics, Nonlinearities, and Stock and Flow Accumulation Processes. To cope with these dimensions of difficulty, managers’ mental models tend to be reductive—that is, managers systematically reduce complexity on each dimension by adopting a simplifying assumption. This reductive bias to simplify each of the five dimensions helps identify the types of systematic simplifications managers make when developing their mental models of business policy and strategy problems. The five types of simplifications are harmful for strategic decision making – not useful reductions of complexity – and a number of the harmful consequences are identified.

**Who Drives the Change? The CEO’s Strategic Commitment and its Missing Consequences**

Henning Behr, KIT-Karlsruhe Institute of Technology
Kerstin Fehe, KIT - Karlsruhe Institute of Technology

The Upper Echelons Theory has been proved to play an important role in strategic management research. Former studies have shown significant effects of CEO-specific demographic data on a firm’s strategic outcome. For a further validation of those results, we reevaluate the existing results based on the concept of the commitment to the status quo on a German sample. Furthermore, in line with the concept of managerial discretion, we show that the effect of this commitment on strategic outcomes depend on CEO-specific circumstances determining his personal level of discretion: Newly appointed CEOs seem to have better preconditions for implementing their ideas than established top executives.

**SESSION 134 CAPABILITY DEVELOPMENT**

**A Micro Perspective Analysis of Capability Renewal Through Knowledge Integration within Product Innovation Projects**

Alireza Javanmard Kashan, Queensland University of Technology
Kavoos Mohannak, Queensland University of Technology

The aim of this paper is examine how firms renew their organisational capabilities based on micro organisational processes. Organisational capability development literature points to firms’ failure in capability renewal process. To overcome this inefficiency, it is proposed to integrate dynamic capability and ambidexterity perspectives by studying knowledge integration within product innovation. In this relation, applying micro perspective in studying technology diffusion within Iranian Auto industry revealed micro co-evolutionary relationships between knowledge integration within product innovation and capability development. Furthermore, based on the decomposability principals, the analysis suggested relationships among modularity of product architecture, modularity of organisational modularity and modularity of industry architecture in downstream and upstream value chain. Based on these micro-macro co-evolutionary effects, capability development process underlying successful corporate entrepreneurship may be verified.
Architecture of Dynamic Capabilities: Explaining Innovativeness in the Context of Nanotechnology
Olga Petricevic, University of Calgary
William Bogner, Georgia State University
This paper provides a more nuanced view of the key subsets of dynamic capabilities and its multidimensional nature that impact firm's innovations in an emerging field, such as nanotechnology. The findings offer support for the conceptualizations of dynamic capabilities as consisting of distinct subsets of capabilities for the sensing and the seizing of external new-knowledge opportunities across two contexts: alliances and networks. The findings suggest that there are potential synergies between the subsets of dynamic capabilities that are more macro oriented (i.e. sensing and seizing of opportunities within networks) and those that are more micro oriented (i.e. sensing and seizing of opportunities within alliances) but that the linear model of generating innovations through inter-firm collaborations in an emerging field may no longer be valid.

How do Capability Gaps Drive Reconfiguration?: Evidence from U.S. Medical Technology Industry Sales Force Strategies
John Joseph, Duke University
Aaron Chatterji, Duke University
Colleen Cunningham, Duke University
This paper explores how medical technology firms reconfigure their sales capabilities to respond to changes in their product portfolio. The theory relates product portfolio changes to gaps in technological knowledge and customer relationships, and, thereby, to the potential for reconfiguration of sales capabilities. Empirically we examine how changes in the depth, breadth, and complexity of the portfolio predict changes in sales force structure, either from a direct sales force to distributor, or vice versa. Results suggest that as firms increase the depth of their portfolio, having (or developing) a direct sales force becomes more likely, while increases in breadth increase the likelihood of using a distributor. This study highlights previously unexplored internal drivers of complementary capability reconfiguration, and demonstrates how technology-related shifts can stimulate reconfiguration.

The Birth of Capabilities in Large Established Firms: Evolution, Managerial Intention and Organizational Hierarchy
Jens Schmidt, Aalto University
Thomas Keil, University of Zurich
In this article we report on the results of a single case study of deliberate capability building in a new venture of a large, established service firm. We characterize capability building as a guided evolutionary process, where managerial intention helps overcome the myopia of local search. Our study highlights the roles of managers across three levels of the organizational hierarchy. Specifically, we find that middle management plays a central role in initiating and providing guidance to capability development, whereas the role of operational management is confined to local search to verify assumptions or to provide new variation. Top management provides and withdraws necessary resources and may influence a capability at its birth. If a capability underperforms, it may be dissected and functional parts be salvaged.

SESSION 143
GEOGRAPHY, INSTITUTIONS, AND INNOVATION

<table>
<thead>
<tr>
<th>TRACK I</th>
<th>Date</th>
<th>Tuesday, Oct 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Time</td>
<td>11:00 – 12:15 h</td>
</tr>
<tr>
<td>Room</td>
<td></td>
<td>Hickory Room</td>
</tr>
</tbody>
</table>

Session Chair Linda Tegarden, Virginia Tech

In Search for External Knowledge: How Institutions Matter for Innovation Performance
Christoph Grimpe, Copenhagen Business School
Wolfgang Soika, Copenhagen Business School
The innovation performance of firms is increasingly determined by their ability to search and absorb external knowledge. Relatively little is known, however, on the role of institutions in making external knowledge available to firms. In this paper, we argue that the institutional context that provides or denies access to external knowledge shapes the effectiveness of search. We extend a firm’s knowledge production function with the exogenously determined institutional context while treating the search strategy as endogenous. To analyze the effects of institutions on search and performance, we draw a distinction between the level of institutional development and the degree of institutional dynamics. Preliminary results based on a sample of almost 8,000 firms from ten European countries show that higher market orientation of institutions increases the effectiveness of firms’ search for external knowledge while higher magnitudes of institutional change decrease it.

Investigating the Dual Role of Government Support in Imitation versus Innovation in Emerging Economies
Bin Hao, East China University of Science and Technology
Xiaolan Fu, Oxford University
While government support is widely acknowledged as a means of innovation driver, it may also spur imitation. This study strives to contribute to the literatures by exploring the dual role of government support in imitation and innovation in emerging economies. We argue that policy support differs from financial support in affecting firms’ strategic orientation of technological development, trying to develop our model by introducing R&D competence and environmental dynamics as moderators. We collected firm-level survey data from 1408 firms located among 42 cities in mainland China. We plan to test our model by using this data.

Shaping Institutions to Facilitate Market Innovations for Increased Sustainability: Influencing the Electricity Market in India
Suvi Nenonen, University of Auckland
Kaj Storbacka, University of Auckland
Due to their systemic nature, sustainability innovations are likely to necessitate changes in institutions governing the behavior of actors in markets. This study investigates how firms can shape such institutions in order to facilitate market innovations for increased sustainability. We identify a set of institutions governing market formation, which firms can influence: network structure and composition, norms, representations, and agendas. In an exploratory case study of the electricity market in India, we illustrate how a small actor influences market formation using a long-term systematic process, aimed at influencing the electricity market agenda by involving engagement of new actors, and influencing normative and representative practices. As a result a new electricity tariff is introduced that will improve environmental, social and economic wellbeing simultaneously.
Who Publishes and How Much?: The Value of Scientific Knowledge Revisted
Olga Bruyaka, Virginia Tech
Fiona Xiaoying Ji, Ohio University
Linda Tegarden, Virginia Tech
William Lamb, Ohio University
We study how scientific knowledge (i.e., number of academic publications) of geographically proximate universities, geographically proximate competitors, and organizationally proximate corporate subsidiaries impacts business organizations’ innovativeness. In an empirical study of 429 U.S. fiber optic business organizations in 1976-1994, we show that the value of scientific knowledge varies depending on the type of its sources, and availability of an alternative source of scientific knowledge; it interacts with business organizations’ own capability of developing scientific knowledge to enhance organization innovativeness; and, the value of scientific knowledge also varies depending on the nature of innovation, i.e., important patents versus pioneering products.

SESSION 56
A VARIETY OF PERSPECTIVES ON STRATEGIC ENTREPRENEURSHIP

<table>
<thead>
<tr>
<th>TRACK K</th>
<th>Date</th>
<th>Tuesday, Oct 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>11:00 – 12:15 h</td>
<td></td>
</tr>
</tbody>
</table>

Common Ground
Room Chestnut Room
Facilitator Kehan Xu, Sun Yat-sen University
Room

Resolving the Exploration and Exploitation Dilemma in Growth Phase of New Ventures
Sabyasachi Sinha, Indian Institute of Management-Lucknow
The ability of the organization to simultaneously pursue exploration and exploitation is referred to as ambidexterity. We present a review of current literature on ambidexterity and highlight the need of studying the phenomenon in a new context of growth phase of new ventures. In case of new ventures the role of founders and the founding team members, which we refer here as top management team (TMT) of the new venture is critical. We highlight here the need of identifying, the mechanisms of how ambidexterity is managed in new ventures and role of TMT in the process.

Spinout Formation: Do Opportunities and Constraints Benefit High Human Capital Founders?
Mariko Sakikibara, University of California-Los Angeles
Natarajan Balasubramanian, Syracuse University
We examine the role of human capital in employees’ decisions to leave their parent firms and form spinouts. Using a large sample of individuals who formed spinouts in manufacturing industries between 1992 and 2005, and their co-workers who did not, we find that individuals with higher human capital are more likely to form spinouts. Counterintuitively, we find that both industry constraints and opportunities reduce the propensity of higher human capital individuals to form spinouts. Our findings are consistent with the argument that high human capital founders are more likely to choose larger, more capital-intensive projects than a few of the investment opportunities that are available to them, the ability to source external resources is viewed as a critical, if not defining, skill. However, external sourcing exposes the firm to a variety of risks rooted in opportunism, any of which may reduce the firm’s ability to protect vital resources from imitation or replication. We argue these conditions give firms incentive to use internal resources before turning to external sources. Data from a sample of cross-border investment by US VC firms confirm our conjecture.

The Role of Human Capital in Scaling Social Entrepreneurship
Dawn Harris, Loyola University-Chicago
Yasemin Kor, University of South Carolina
In this research paper, we discuss the importance of human assets in growing and scaling a social venture to achieve its objectives and attain financial sustainability. We focus on the three key dimensions of how a social enterprise's human assets contribute to the effectiveness of the company's operations and its missions: (1) human capital acquisition, (2) human capital development, and (3) human capital retention. We explain how a firm's actions in these key three dimensions can promote (and hinder) the growth of the firm, which is vitally linked to delivering social, environmental, and economic benefits to the impacted communities and stakeholders. In discussing and unpacking these dimensions, we utilize real-life examples from two social ventures we studied, Solar Sister of Uganda and E-Health Point of India.

Toward a Pecking Order Theory Of Strategic Resource Deployment
Robert Wuebker, University of Utah
William Schulze, University of Utah
David Deeds, University of St. Thomas
A core premise of the dynamic capabilities perspective is that the skills of the firm are embedded in its routines and in the knowledge acquired over time. Since few firms have the resources needed to explore more than a few of the investment opportunities that are available to them, the ability to source external resources is viewed as a critical, if not defining, skill. However, external sourcing exposes the firm to a variety of risks rooted in opportunism, any of which may reduce the firm’s ability to protect vital resources from imitation or replication. We argue these conditions give firms incentive to use internal resources before turning to external sources. Data from a sample of cross-border investment by US VC firms confirm our conjecture.

Unveiling the Founder Effect: A Process-Oriented Framework on Entrepreneurial Imprinting
Vladi Finotto, University Ca’ Foscari Venice
Anna Moretti, Ca’ Foscari Universit
Imprinting has often been evoked to explain long-term influence of the founder on organizations’ growth and strategies. Despite its recurrence in studies of founders’ effects on organizations, the concept has been rarely investigated. This paper aims at contributing to the advancement of the theoretical definition of imprinting and to the operationalization of its constituent factors. We advance an analytical and conceptual framework that can function as a guide for empirical investigations on the persistence of firms’ distinctive characteristics. The paper aims at making two contributions. First, it reduces the heterogeneity of “observed” imprinted elements by focusing on cognitive frames. Second, it advances a process-oriented conceptual and analytical framework that emphasizes the importance of political aspects and mobilizing practices in the persistence of founders’ frames.

Which Factors do Affect Success of Business Incubators?
Nobuya Fukugawa, Tohoku University
Entrepreneurial process, from the recognition or creation of business opportunities to the exploitation of opportunities through new firm creation, requires nascent entrepreneurs to be “jacks of all trades” even though they need not to be a master of all. Focusing on the role of business incubators as knowledge transfer organizations, this study examines how the scope and focus of skills that incubation managers can transfer to nascent entrepreneurs affect new firm creation, and how the impacts vary according to technological categories. Estimated Tobit models show that technological skills of incubation managers are particularly beneficial for incubatees in science-based sectors. Furthermore, formal alliances with and the geographical contiguity to universities do not help business incubators spawn science-based startups. Policy implications of the results are discussed.
Dynamic Capabilities and New Venture Survival in Nascent Markets
Robin De Cock, Imperial College Business School
Bart Clarysse, Imperial College London

The dynamic capability literature has argued that dynamic capabilities are of most importance to companies that face dynamic environments. New ventures in nascent markets are in such a situation. However, the literature remains silent when it comes to the boundary conditions under which these dynamic capabilities have most impact on survival. We extend the literature on dynamic capabilities by showing that firm stability measured as role formalization in the founding team and redundancy at the work floor does increase the impact of dynamic capabilities. We therefore contribute to the literature on dynamic capabilities by showing its duality with company stability. However, the installation of a board with external directors does decrease the impact of dynamic capabilities.

Dynamic Capabilities: Shaping Factors and Moderators in the Context of Entrepreneurial High-Technology Enterprises
George Tovstiga, University of Reading
Henning Grossmann, Foundation Technopark Zurich

This paper presents work that is still in progress; it explores the theoretical and conceptual background to empirical research which is to follow (but which is not the objective of this paper). This paper explores the three constituent shaping activities of dynamic capabilities (Teece, 2007, 2009; Teece and Pisano, 1994; Teece et al., 1997), consisting of sensing, seizing and reconfiguring; and their relationships to technical and evolutionary fitness as defined by Helfat et al. (2000, 2003, 2007 and 2009). Moreover, this paper explores the role that market dynamics play as the firm seeks to establish evolutionary fitness, whereby market dynamics is defined as proposed by Eisenhardt and Martin (2000). The specific focus of this study is on entrepreneurial high-technology start-ups.

Learning by Doing: IPO Premium Trend and the Experience of Venture Capital Firms
Salim Chahtine, American University of Beirut
Igor Filatotchev, City University London
Mike Wright, Imperial College London

Using a sample of 1116 VCs involved in 1177 IPOs in the U.S. from 1990 to 2009, we explore how Venture Capitalists learn from their prior IPO experiences. We show that the current performance of an IPO firm involving a specific VC firm is positively related to the performance of previous IPOs of firms backed by the same VC firm, after controlling for firm characteristics and market conditions. We also find that the number of previous IPO experiences, their diversity and the number of prior syndicated IPO experiences positively moderate this positive relationship. This indicates that VCs learn from their previous “exit” experiences to develop pricing capabilities.

Understanding the Role of Dynamic Managerial Capabilities in Creating Corporate Entrepreneurship and Firm’s Performance
Budi Widjaja Soetjipto, University of Indonesia
Muhammad Ridwan Arif, State Polytechnic of Ujung Pandang

This proposal discusses the extent to which dynamic managerial capabilities determine corporate entrepreneurship and eventually firm’s performance. One hundred and thirty-three CEOs and editor-in-chief of Indonesia local newspaper publishers participated in the study. This study finds that three elements of dynamic managerial capabilities (managerial human capital as measured by talent management practices, managerial social capital, and managerial cognition as measured by managers’ perception on task environment) positively and significantly affect corporate entrepreneurship, and corporate entrepreneurship in turn positively and significantly affects firm’s performance. These findings highlight the role of dynamic managerial capabilities in creating corporate entrepreneurship. Limitations of the study are also identified to warrant further research.

Human Capital, Industry Specificity and Innovation: The Role of Scientists’ Industry Experience For Firm-Level Patenting
Arjan Markus, Copenhagen Business School
Daniel Tzabbar, Drexel University

Drawing on human capital and absorptive capacity theory, we examine the impact of industry-specific experience of scientists on firm-level innovation. We distinguish between two types of recruitments: intra- and inter-industry hires. Accordingly, we predict different effects for each individual type with regard to firm-level patent productivity and patent impact. More importantly, we expect that a firm’s experience with recruitment of intra- and inter-industry scientists enhances the effect of each individual type. We aim to test our predictions on a unique dataset which combines register employer-employee data from Statistics Denmark and patent application data from the European Patent Office. This dataset consists of 1233 firms and 526 mobility events in the Danish chemical industry in the period 1999-2004.

Human-Capital and Power Structure: Understanding Technological Exploration in New Ventures
Jaclyn Shor, Drexel University
Daniel Tzabbar, Drexel University

We argue and demonstrate that founding-team human capital (both educational diversity and prior entrepreneurial experience) is positively related to a new venture’s ability to explore new technologies. However, we develop a theory recognizing that the effect of human-capital related to a new venture’s ability to explore new technologies. However, we develop a theory recognizing that the effect of human-capital related to a new venture’s ability to explore new technologies. However, we develop a theory recognizing that the effect of human-capital depends on the power distribution among founding team members, and that such effect can vary depending on the type of human capital. Our results indicate that under conditions of high educational diversity, power concentration enhances the positive effect of education heterogeneity and exploration. However, power concentration diminishes the positive effect of prior entrepreneurial experience. Therefore, we suggest, that the prognosis for firms with high degrees of human-capital is not all that rosy, and, conversely, the presence of a powerful CEO is not all that grim.

Patching the Wrong Eye: Substitution of Social Capital for Human Capital in Corporate R&D and Long-Term Innovative Performance
Ramin Vandaie, University of Minnesota

I argue in this study that overreliance on resources embedded in interorganizational relationships in firms suffering a decline in the quality of in-house scientific human capital leads to negative long-term ramifications for the firm due to underinvestment in the restoration and further enhancement of in-house human capital. I start by building a
theory for explaining when firms are more prone to such overreliance based on their extent of embeddedness in preexisting firm-level and scientist-level social structures. Next, I explore the impact of the decision to ramp up external collaborations in R&D in response to declining quality of in-house scientific human capital on the long-term innovative performance of the firm.

**Startup Firm Acquisitions as a Human Resource Strategy for Innovation: The Acquiry Phenomenon**

Jaclyn Selby, University of Southern California
Kyle J. Mayer, University of Southern California

High technology industries have become increasingly characterized by shortages of talented human resources and we observe a growing phenomenon, particularly prevalent amongst Silicon Valley firms, called an ‘acquiry’ in which large firms acquire startup companies in order to procure highly skilled personnel in lieu of traditional hiring practices. We seek to understand when firms may engage in an acquiry as opposed to traditional hiring of individuals or external solutions like alliance or contractors. We further explore how acquiring help address competitive advantage from an RBV perspective as such acquisitions appear to be motivated by a desire to maintain the startup’s team of core employees as a cohesive unit to preserve tacit knowledge, prevent knowledge leakage, and maintain the entrepreneurial culture within the team.

**SESSION 190**

**STAKEHOLDER APPROACHES TO CAPITALISM: TOWARD INCREASING SOCIAL AND ECONOMIC WELFARE**

**SESSION 12**

**INFORMAL TIES AND SOCIAL CAPITAL**

<table>
<thead>
<tr>
<th>TRACK N</th>
<th>Date</th>
<th>Time</th>
<th>Paper</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tuesday, Oct 1</td>
<td>11:00 – 12:15 h</td>
<td>Pecan Room</td>
</tr>
</tbody>
</table>

**Session Chair**

Flore Bridoux, University of Amsterdam

**A Naturalistic Stakeholder View of Social Welfare**

J W Steelhorst, University of Amsterdam
Flore Bridoux, University of Amsterdam

The standard narrative of market capitalism is supported by an economic paradigm that emphasizes market competition, rational self-interest, and a shareholder view of the firm. We argue that the theoretical underpinnings of this paradigm are ill-suited to inform managers and policy makers about the creation of social welfare in modern, knowledge-driven, economies. We adopt a naturalistic view of socio-economic systems to provide more suitable theoretical underpinnings and use this view to develop an alternative paradigm for studying market capitalism and designing its institutions. This paradigm emphasizes cooperation as well as competition, heterogeneous motives, and a stakeholder view of the firm.

**Moving beyond Single Relations: A Multi-Relational Network Theory of Stakeholder Power**

Wen Feng, MIT
Edward Crawley, MIT
Donald Lessard, MIT
Bruce Cameron, MIT
Olivier de Weck, MIT

Stakeholder theory challenges the traditional economic view of strategic management and suggests that social value should be studied together with economic value, from both normative and instrumental aspects. Following this spirit, we develop a multi-relational network theory to unify economic and social value into a common framework and then model the multi-type and networked stakeholder relationships as direct and indirect value exchanges. Specifically, we interpret stakeholder power as a secondary phenomena emerging from exchange relationships and network structures, and also formulate corresponding strategies for firms to manage their relationships with powerful stakeholders. Our theory is firmly grounded on the social exchange theory (SET) and advances the network theory of stakeholder influences by moving beyond the single-relation networks.

**Toward a Theory of Stakeholder Entrepreneurship**

Rashedor Chowdhury, University of Jyväskylä
Edward Freeman, University of Virginia

We take an alternative perspective to social entrepreneurship theory in order to address social problems such as poverty and inequality. We develop the theory of stakeholder entrepreneurship which combines stakeholder theory, entrepreneurship theory, and the capability approach. We argue that by creating opportunities for poor and disadvantaged stakeholders alongside primary stakeholders, firms can contribute to the development of a society. More specifically, firms can contribute to increased freedom and choices for their stakeholders who otherwise might not have been benefited without the help of firms’ entrepreneurial activities. Unless firms give poor and disadvantaged stakeholders opportunities to learn or develop certain skill sets (a process of ‘stakeholder capability unlocking’) it is difficult for poor and disadvantaged stakeholders to make their own choices or practice real freedoms.

**SESSION 12**

**INFORMAL TIES AND SOCIAL CAPITAL**

Happy Start, Happy Process, and Happy Ending: Implications of Managerial Personal Ties for Alliance Performance

Han Jiang, Arizona State University
Luiz Mesquita, Arizona State University

Little research effort has been devoted to unveiling the implications of managerial personal ties for alliance performance. In this study, drawing on a contingency perspective, we theorize that the association between managerial personal ties and alliance performance varies with two sets of boundary conditions: the dimensions of alliance performance, and the characteristics of alliances. Using a sample of 244 high-technology alliances in China, we show that managerial personal ties across firms are effective at enhancing alliance governance effectiveness, but less so at improving alliance goal fulfillment. Moreover, the alliance performance implications of managerial personal ties also subject to the strategic nature of the alliance and the interdependence between partners.

**Informal Device for Co-optation and its Dynamics: Formation of Marriage Ties among Korean Business Groups**

JungYun Han, INSEAD

Firms seek external relations to reduce environment uncertainty and secure critical resources. Prior research on external relations among corporate leaders has focused that resource criticality of a potential partner tends to increase a propensity of forming formal linkages with the firm such as board interlocks or appointment of former government officers. This study extends prior research on resource dependence by examining how firms strategically manage their informal social ties to gain critical resources in two folds: By examining marriage relationship between owner families of Korean business group between 1970 and 2011, first, I find that there is non-monotonic (U-shaped) relationship between a partner’s resources and a propensity to form a marriage tie with the firm, and the relationship is reinforced by a focal firm’s resources. Second, this study finds that when a focal has alternative sources for critical resources, the positive relationship between resource criticality of partner and marriage formation is weakened.
Questioning the Value of Political Ties: The Impact of Different Types of Political Ties on Firm Financial Performance

Asli Kozan, HEC-Paris

This paper investigates the impact of political ties on firm financial performance, using a unique longitudinal dataset covering the period from 2002 to 2011, for all publicly listed and formerly publicly listed companies in the UK. I differentiate between different types of political ties and find robust evidence that firm political engagement is negatively and significantly related to financial performance. The results also show that certain types of ties harm firm performance less than others.

Relational Competition in Taiwan

Danny Miller, HEC-Montréal
Hao-Chieh Lin, National Cheng Kung University
Ming-Jer Chen, University of Virginia
Isabelle Le Breton-Miller, HEC-Montréal

This study explores relational competition – the extent to which a firm engages with its stakeholders based on a long-term and cooperative mindset. In doing so it extends the competitive dynamics perspective from zero-sum rivalry among competitors to the win-win interplay among stakeholders. Using structural equation modeling, the paper examines how relational competitive interactions are shaped by specific governance, leadership, and organizational factors, and influence firm performance in certain environmental contexts. Using data from a survey of multiple top managers in 289 Taiwanese firms, we find that paternal leadership bears a positive relationship to organizational relational practices, and to relational competitive strategy. Only the latter bears a positive relationship to performance, and the relationship is less positive within dynamic environments.

SESSION 49
HELLO, GOODBYE: CEO TRANSITIONS, ASCENSIONS, DISMISSALS

TRACK O
Date Tuesday, Oct 1
Time 11:00 – 12:15 h
Common Ground Room Walnut Room
Facilitator Parthiban David, American University

CEO Dismissal and Board Capital: An Institutional Lens on Board Resources, Focus, and Autonomy

Jean McGuire, Louisiana State University
Jana Oehmichen, University of Göttingen
Michael Wolff, University of Göttingen

We examine the role of board capital in CEO dismissal decisions as well as the moderating role of institutions. We present a three stage model of CEO dismissal which differentiates: the initiation stage in which board members become aware of the possible need to dismiss the CEO; the decision stage in which the board comes to a decision that dismissal is an appropriate action, and the enforcement stage in which the board acts to dismiss the CEO. Our empirical results indicate the relevance of board capital is complemented by the society's information permeability and the cultural power distance. Shareholders legal enforcement abilities on the other hand substitute effects of board capital.

Founder CEO Succession: The Effects on Strategic Change and Market Reaction

Ying Feng, Erasmus University-Rotterdam
Jatinder Sidhu, Erasmus University - Rotterdam
Henk W. Volberda, Erasmus University-Rotterdam
Frans A.J. Van Den Bosch, Erasmus University-Rotterdam

How firms can renew strategies and adapt to changing environment is considered to be critical in achieving sustainability. While prior research found that leadership structure has a significant influence on firms' capability in resources reallocation, little has considered how leadership succession is used as symbolic management to gain legitimacy from external constituents. To fill this gap, we focus on founder CEO succession and propose that demand for resources prompts firms and founder CEOs to increase visible efforts in improving leadership structure. We examine the role of founders' retention as board chair and further predict that founder CEO succession and founder CEO's verbal symbolic management toward investors can produce positive reactions from investors, despite lack of changes in actual managerial and strategic decision-making process.

Going Out on Top or with a Fizzle?: Upper Echelons Perspective on CEO Retirement

Joanna Tochman Campbell, University of Arkansas
Hansin Bilgili, University of Arkansas
Alan Elstrand, University of Arkansas
Jonathan Johnson, University of Arkansas

Despite the fact that CEO retirement is a common event, little is known about the circumstances surrounding such exits. This study examines the topic of CEO retirement through the lens of upper echelons theory, contrasting the strategies and firm outcomes of pre-retirement CEOs with a comparable group of peers. Through this, we attempt to answer the following research questions – do the strategic decisions implemented by CEOs differ once retirement is on their horizon? Do CEOs, on average, retire at the top of their game, or once their own—and by extension their firms—performance begins to suffer? Moreover, we build on agency theory to investigate how the effectiveness of compensation incentives changes once impending retirement is taken into consideration.

Sensemaking and Female CEO Ascension: The Role of Strategic Noise

Jennifer Palar, University of Mississippi
Richard Gentry, University of Mississippi
Jennifer Knippen, University of Virginia

Our study seeks to make two contributions to the literature. First, we will identify the conditions under which firms are less likely to promote a woman CEO and withstand the inevitable scrutiny from the media and market. Then we will integrate the literature on strategic noise and sensemaking to explore how organizations manage the promotion and transition of female CEOs. Firms can cloud important events with strategic noise, preemptive and obfuscatory impression management activities, or they can deliberately attempt to shape the conversation through sense-making activities. Consequently, we suggest the appointment of a female CEO is a unique event in the context of CEO succession and one that is important to examining the challenges of strategic noise and sense-making processes.

Storming the Castle: Leadership Transition at the Top and Competitor Strategic Actions

Michael Withers, Texas A&M University
Kai Xu, Texas A&M University
Trevis Certo, Arizona State University
Wei Shen, Arizona State University

Much research has focused on the consequences of the CEO succession. However, currently missing from this literature is a focus on the competitive repercussions that may result from a succession event. This study integrates the competitive dynamics perspective with the executive succession literature to examine the competitive consequences of executive succession. In particular, we suggest that when firms experience executive succession events their direct competitors may be more likely to engage in strategic behavior. We also examine the moderating role of successor type, prior performance, and predecessor power. We test our hypotheses using a sample of 49 firms experiencing CEO turnover events and examine their competitors’ strategic actions. We conclude with a
The Effects of Asymmetric Information on the Dismissal of Newly Appointed Leaders

Malay Desai, University of Nottingham
Andy Lockett, University of Warwick
David Paton, University of Nottingham

In this paper, we follow Zhang’s (2008) lead to exploring how asymmetric information between the owner (principal) and leader (agent) shapes newly appointed leader tenure. We contribute to the literature by developing a model of asymmetric information and new leader tenure which extends Zhang’s (2008) work on adverse selection, and heeds Zhang’s call to explore the link between moral hazard and new leader tenure. We validate our model, using duration analysis, on a sample of 106 newly appointed leaders in the English premier league (1996-2010).

Adoptions of Chief Diversity Officers among S&P 500 Firms: Institutional and Resource Dependence Explanations

Wei Shi, Rice University
Seemantini Pathak, University of Houston
Jiwon Song, Renmin University of China
Robert Hoskisson, Rice University

The importance of workforce diversity has increasingly been emphasized as demographic minorities comprise more of the workforce and consumer markets. As a result, some firms adopt chief diversity officer (CDO) positions to manage workforce diversity more effectively. This study investigates the confluence of institutional and resource dependence theoretical factors in explaining firms’ adoptions of CDO positions. From institutional theory, we find that firms are more likely to adopt CDOs when they are headquartered in legalized gay marriage states, the accumulative number of industry CDO adoptions is high, and the industry to which a firm belongs has high levels of female and African American employment representation. Using resource dependence theory, we find that transient institutional ownership bears a negative relationship with CDO adoptions whereas female top management representation, firm size, diversification levels, and innovation intensity positively affect firms’ adoptions of CDO positions.

Corporate Communication in the Upper Echelons: The Presence of Chief Communication Officers on the TMT

Irene Pollach, Aarhus University

Directors for corporate communication—also referred to as chief communication officers (CCO)—have been common managerial positions in large organizations since the 1970s. Over the past decades their responsibilities have evolved from tactical support tasks to a more strategic function that integrates, aligns and orchestrates all communication activities in organizations. CCOs are now also found on top management teams (TMT). Strategy research on TMTs has paid less attention to corporate communication as a functional background represented on TMTs. This paper follows an upper echelons approach and proposes a model of organizational antecedents of the presence of chief communication officers on TMTs, including variables related to the TMT, the CEO, and the person of the CCO.

Risk as a Logic of Governing: Explaining the Diffusion of Risk Governance Innovations

Christopher Eaton, University of Calgary

Recent events have shaken our confidence in organizational governance and stimulated reforms. In response, many boards of directors and top management teams are adopting and adapting risk governance practices—a management innovation—for the organizations they lead. Dedicated risk committees and departments, chief risk officers, and risk appetite frameworks are among these innovations, which often form part of an enterprise risk management program. Although patterns of diffusion have emerged, our understanding of underlying adoption and adaptation mechanisms remains limited. I build theory from multiple cases to help explain the diffusion of risk governance innovations. My analysis of eight paired organizations across four fields—financial services, energy/utilities, telecommunications, and government—suggests the nature and extent of organizational risk are together generating a pervasive ‘logic of governing’.

Symbolic Adoption and Silent Implementation: Alternative Forms of Decoupling in Downsizing Korean Firms

Sookyung Lee, Northwestern University

While studies of practice diffusion have addressed the possibility of decoupling in terms of public adoption without implementation, we suggest there is value in examining an alternative version of decoupling that involves implementation without public adoption. This combination suggests four possibilities in diffusing practices: deep adoption (substantive adoption), superficial adoption (symbolic adoption), superficial resistance (silent implementation), and deep resistance (substantive resistance). Using a sample of large South Korean firms after the Asian financial crisis, we test how prior firm performance and board of director characteristics shape firms’ choices about these four possible options for corporate downsizing.

Behaving or Not Behaving? The Economic Value of (il) Legitimate Actions

Marco Clemente, HEC-Paris

Strategy research analyzes the causes of heterogeneity in firms’ performance. While industry factors and internal resources have been long known as crucial factors, recently strategy scholars have moved their attention to the economic and, in particular, the sociological institutional context. Today, companies are increasingly pushed to make actions that are considered legitimate, i.e. conforming to the social expectations of the environment in which they operate. However, legitimate actions are costly, while illegitimate behaviors, especially if they go unnoticed, can be beneficial. Not surprisingly, theoretical and empirical literature on legitimacy makes the relationship between (il)legitimate actions and (negative) positive economic performance unclear. Using a unique dataset, I propose and find evidences that media visibility and the type of legitimacy are key variables that moderate this relationship.
Going to Extremes: The Double Edge of Seeking Media Coverage
Anastasiya Zavyalova, Rice University
Michael Pfarrer, University of Georgia
Rhonda Reger, University of Tennessee

We propose that organizational studies have underemphasized the downside of organizational prominence that results from increased media coverage. Drawing from research in psychology and social psychology, we develop theoretical arguments that explore the spectrum of consequences associated with strategic decisions to seek media attention. We argue that direct and indirect tactics by organizations can increase the amount of media coverage, which, in turn, increases organizational prominence in the eyes of their stakeholders. However, because prominence can lead to extreme evaluations by stakeholders and disproportionate causal attributions, prominence resulting from media coverage can be a double-edged sword.

Motivated to Change? TMT Regulatory Focus and Strategic Action
Philip Roundy, University of Texas-Austin
James Fredrickson, University of Texas-Austin

Top management team (TMT) characteristics can play a key role in influencing a firm’s strategic dynamism. However, the socio-cognitive factors that drive dynamism and form the basis for why some TMTs are motivated to engage in strategic change while others are motivated to maintain the status quo are under-examined. Moreover, how TMT members’ internal motivational-orientation and external environmental factors combine to influence strategic dynamism has also received little attention. To address these omissions, this paper examines a particular psychological construct – regulatory focus – which we argue will have a strong influence on TMTs’ motivations to change. We present a theoretical model of the relationship between regulatory focus, strategic dynamism, and the stability of a firm’s environment. Propositions are developed and implications and future directions are discussed.

Niche width, Category Arrangement, and Audience Evaluations in Corporate Law Firms
Lionel Paolella, HEC-Paris
Rodolphe Durand, HEC-Paris

Organizational literature considers that focused organizations have higher fitness with evaluative schemas of audiences relative to category spanners they compete with, and then receive better evaluations. Yet, most of the studies do not take into account any goals of audience members. We try to fill this gap using data from the international corporate legal service industry where clients have plural goals not fixed in time. We found that a generalist approach is more suitable for law firms in terms of audience evaluations. We also show that market categories may be additive in business legal services. Rather than a simple collection of category affiliations, coherent category arrangements with expectations and of audience members will positively moderate the relationship between niche width and external evaluations.

Painted with the Same National Brush? International Differences in Categorization and Informational Spillovers
Adam Castor, University of Pennsylvania

Leveraging social categorization theory and findings from social psychology, I predict that the characteristics of audience members affect the way that they cognitively group objects into similar categories. These groupings affect the degree to which audience members ascribe new information across objects. Using data on stock market analyst earnings estimates I predict that the geographic location of the analyst affects the degree to which analysts will revise their earnings estimates for a given company in the wake of an earnings miss by another firm. Foreign analysts revise their earnings estimates downward more so than do local analysts, suggesting that foreign analysts ascribe the earnings miss more broadly and tend to lump companies located in the same country into larger groups than do local analysts.

Redirecting Attention: The Board’s Influence on TMT’s Entrepreneurial Attention
Marius Luber, Institute of Strategic Management
Anja Tusche, University of Munich

In this study, we address the question of whether some top management teams (TMT) allocate more attention towards the identification of new business opportunities, while others don’t. Based on the attention-based view, we argue that boards of directors can enhance TMT entrepreneurial attention by interacting with the TMT and supplementing its ability to attend to entrepreneurial issues. Analyzing entrepreneurial attention in a sample of large German firms between 2004 and 2011, we find support for our theorizing that both, TMTs and boards of directors can influence TMT entrepreneurial attention.

SESSION 103
DYNAMIC CAPABILITIES FOR SUSTAINABILITY

Exploring Dynamic Capabilities in Community Contexts: An Empirical Investigation
David Wagner, European University Viadrina
Heinz-Theo Wagner, German Graduate School of Management and Law
Jochen Koch, European University Viadrina

Strategy researchers have long been concerned with the sources of competitive advantage, i.e., why some firms’ performance is superior over others. One argument to answer this question is provided by the dynamic capability view which posits that some firms are better at adapting to a changing business environment than others. This study scrutinizes online communities from a strategic perspective. We present evidence which shows that organizations may use online communities to sense and shape opportunities and threats, to seize opportunities, and to reconfigure the enterprise’s intangible and tangible assets, thus helping their host organizations adapt to a changing business environment. The paper contributes to the strategy literature by analyzing how new information technologies help to build and sustain competitive advantage.

R&D Dynamic Capabilities in a Changing Regulatory Context
John Ettlie, Rochester Institute of Technology
Francisco Veloso, Lisbon Catholic School of Business and Economics
Muammer Ozer, City University of Hong Kong

We tested and supported five hypotheses probing the current version of the dynamic capabilities model (Teece, 2009) in the context of a highly dynamic and complex context: the global automotive industry undergoing significant change to improve sustainable performance. Using a comparative validated sample of 104 R&D projects in the U.S. and China supported all five hypotheses. The most important general finding of the study is that the core empirical causal model of R&D Dynamic Capabilities in the U.S. and China are similar: The causal sequence of dynamic capabilities impact on project success is mediated by dominant design and relative importance of the project; Dynamic Capability (reliable) measures are very similar in both contexts; in particular there were three core competences common across both countries: combining existing capabilities, leveraging partner capabilities, and developing new capabilities.
The Role of Organizational Learning and Strategic Flexibility in Business Model Innovation: A Capability-Perspective

Stephan von Delft, University of Muenster
Jens Leker, University of Muenster

Recent strategic management and innovation management research emphasizes the importance of business model innovation for sustainable competitive advantage. However, little is known about capabilities firms need to adapt or change their business model. To better understand the role of capabilities in business model innovation, we investigate the relationship between business model innovation and two forms of dynamic capabilities, namely strategic learning capability and strategic flexibility, using a survey among top-executives in Canada. While we conceptualize business model innovation as a second-order construct of four interlocking elements (customer value proposition, profit formula, key resources, key processes), we find empirical evidence that a capability-perspective helps firms to better understand the antecedents of business model innovation.

The Value of Business Sustainability and Resilience During the Global Financial Crisis

Mark DesJardine, Western University
Tima Bansal, University of Western Ontario

After meeting the benchmark of roughly two decades of research focused on a causal relationship among social, environmental, and financial performance, we argue that researchers need to re-familiarize themselves with the original meaning of sustainability to draw more meaningful conclusions that map more closely to the principles this concept was founded on. With sustainability acting as a dynamic capability, we argue that organizations that develop sustainable practices are more resilient. In other words, they build a better contextual fit that helps them survive shocks. We test this relationship by exploring the relative impact of the 2008 global financial crisis. Drawing from a sample of 522 firms, we hypothesize that the magnitude of the shock and the time to recovery is lower for sustainable firms.
SESSION 62
PLENARY TRACK

TRACK Q  Date  Tuesday, Oct 1  
Time  14:15 – 15:15 h

Showcase Panel  Room  Dogwood Room A

Understanding the Evolution Towards Sustainable Models of the Enterprise: The Empirical Challenges

Session Chair  
Maurizio Zollo, Bocconi University

Panelists  
Arnaldo Camuffo, Bocconi University  
Timothy Devinney, University of Leeds  
Joseph Mahoney, University of Illinois-Urbana Champaign

This panel aims to tackle the theme of this year’s Strategic Management Conference “Strategy and Sustainability” by focusing on the empirical challenges in the study of organizational evolution towards sustainable enterprise model. To do so, we will first present the design tradeoffs faced in “GOLDEN for Sustainability”, a global collaborative research program addressing questions about organizational learning and change towards sustainability. Second, the panelist will present how the project is currently deploying its data collection and analysis strategy. Third, critical review and generalizable recommendations will be offered for collective discussion. The panel will conclude with relevant takeaways for future research in this domain.

Maurizio Zollo is the Dean’s Chaired Professor in Strategy and Sustainability at the Management and Technology department of Bocconi University, and director of the Center for Research in Organization and Management (CROMA). He also has a part-time chair appointment at the Vienna School of Economics and Business (WU) and a visiting professorship at the Sloan School of Management of the M.I.T. He is currently the president of the European Academy of Management (EURAM), after having served as editor of the European Management Review, EURAM’s official journal. His current research activity focuses on directing the Global Organizational Learning and Development Network (GOLDEN) for Sustainability and on applying neuroscience to study the micro-foundations of strategic decisions related to innovation and sustainability. At SMS, he chaired the Innovation and Knowledge Interest Group, was one of the co-chairs of the 2010 annual conference in Rome, and co-founded the Stakeholder Strategy Interest Group.

Arnaldo Camuffo is a Professor of Business Organization at Bocconi University. He has served as a visiting professor at a number of universities around the world including Industrial Performance Center of MIT, at the School of Management of the University of Michigan, Dearborn. His research interests include Strategic innovation, organizational forms and boundaries, strategic management of human resources. Arnaldo Camuffo holds his PhD in Business Administration from University Ca Foscari of Venice.

Timothy Devinney (BSc CMU; MA, MBA, PhD Chicago) is University Leadership Professor in International Business at University of Leeds. He has held positions at the University of Chicago, Vanderbilt, UCLA and Australian Graduate School of Management and been a visitor at many other universities (CBS, Humboldt, Hamburg, Trier, Konstanz, Ulm, Frankfurt, HKUST & City University). He has published six books and more than seventy articles in leading journals including Management Science, The Academy of Management Review, Journal of International Business Studies, Organization Science and the Strategic Management Journal. He is a fellow of the Academy of International Business, a recipient of an Alexander von Humboldt Research Award and a Rockefeller Foundation Bellagio Fellow. He is Past-Chair of the International Management Division of the AOM and Associate Editor of AOM Perspectives. He currently on the editorial board of over 10 of the leading journals, Director of the SSRN international management network and co-editor of the Advances in International Management Series (Emerald).

Joseph T. Mahoney earned his BA, MA, and Ph.D. from the University of Pennsylvania, with a doctorate in Business Economics from Wharton. He joined the College of Business of the University of Illinois at Urbana-Champaign in 1988, and is Caterpillar Chair in Business, and Director of Graduate Studies. His research interest is organizational economics, which includes: the behavioral theory of the firm, resource-based, transaction costs, real-options, property rights, stakeholder and agency theory. Joe Mahoney has published numerous articles which have been cited in print over 6,000 times from scholars in 65 countries. His 2005 Sage book, Economic Foundations of Strategy, has been adopted by over 30 doctoral programs. Currently, he is an Associate Editor of Strategic Management Journal and serves on editorial boards for Journal of Business Research, Journal of Management, Journal of Management Studies, International Journal of Strategic Change Management and Strategic Organization. He served on the Business Policy and Strategy (BPS) Executive Committee and is past Chair of the BPS Division. Joe has taught undergraduate, Masters, and Ph.D. courses and is a five time outstanding teaching award winner.
Measurement of Strategy Constructs: Challenges and Opportunities

Session Chair
Brian Boyd, City University of Hong Kong

Panelists
Donald Bergh, University of Denver
Steve Gove, Virginia Tech
Michael A. Hitt, Texas A&M University
Duane Ireland, Texas A&M University

Robust measurement of constructs is essential to meaningful research. Strategy scholars have the additional burden of working with concepts which can be both abstract and unobservable. This session will be in the format of a panel discussion, focusing on common pitfalls in measurement, as well as opportunities for crafting more powerful and informative measures.

Brian Boyd teaches courses in corporate strategy, new product development, entrepreneurship, and the management of executive teams. He has served as a Visiting Professor at Tilburg University (The Netherlands), and has taught in several executive programs at the Australian Graduate School of Management (AGSM), in both Sydney and Hong Kong. He has previously held several administrative appointments at the W. P. Carey School, including Director of the MBA High Technology Program, and Executive Director of the Corporate MBA. He has taught in several of the W. P. Carey MBA platforms, including Day, Evening, High Technology, and Corporate. He has also taught in ASU Executive MBA programs delivered overseas: High Technology in China, taught in Beijing, and a dual degree program offered with ITAM, taught in Mexico City. Presently, he serves on the Strategic Management Society Task Force on Teaching. He completed his M.A. at the University of Connecticut in 1985, and doctorate at the University of Southern California in 1990.

Donald Bergh (PhD Colorado-Boulder) is the Louis D. Beaumont Chair of Business Administration and Professor of Management and a member of the Graduate Faculty at Purdue University. He previously held positions at Penn State, Cornell, Purdue, and University College Dublin. His research on corporate strategy, firm scope and research methods has appeared in the AMJ, SMJ, OS, JoM, JMS and ORM. In addition, he is co-editor of the series, Research Methodology in Strategy and Management (Emerald), now in its 6th volume. He has served the strategic management field as an Associate Editor, member of editorial review boards and member of the Academy of Management’s Ethics Education Committee.

Steve Gove (Ph.D., Arizona State) is Assistant Professor of Management at Virginia Tech. He is a 2011 recipient of the Sage Publications/Robert McDonald Advancement of Organizational Research Methodology Award for work co-authored with Brian Boyd and Michael Hitt. His research interests include the role and effect of top managers in strategy and corporate governance, intersections of philosophy of science and faculty productivity, and management education. His work appears in Strategic Management Journal, Academy of Management Journal and Journal of Management Studies among other outlets. He has authored several case studies on strategic management and corporate governance. He currently serves on the editorial board of Academy of Management Journal and Corporate Governance: An International Review. He reviewers for SMS and AoM where he has received multiple Outstanding Reviewer Awards. His teaching focus is the undergraduate capstone strategic management course.

Michael A. Hitt is a Distinguished Professor and holds the Joe B. Foster Chair in Business Leadership at Texas A&M University. He has authored or co-authored many journal articles published in leading journals such as the Strategic Management Journal, Academy of Management Journal, Academy of Management Review, Organization Science, Journal of Applied Psychology, among others. Mike Hitt is a Founding Editor of the SEJ, a former editor of the Academy of Management Journal, and former president of the Academy of Management. His involvement in the SMS runs deep with recently serving as the President of the SMS. He is a member of the SMS Fellows and is the former Deputy Dean of this organization. He has received awards from the American Society of Competitiveness for Outstanding Academic Contributions (1996) and Outstanding Intellectual Contributions (1999) to Competitiveness.

R. Duane Ireland is a Distinguished Professor of Management and holds the Conn Chair in New Ventures Leadership at Texas A&M University. Previously an associate editor for the Academy of Management Journal, the Academy of Management Executive and Entrepreneurship Theory and Practice, he will complete his term as the editor for the Academy of Management Journal on December 31, 2010. He has been a Co-editor for special issues of Strategic Management Journal, Strategic Entrepreneurship Journal (forthcoming), Academy of Management Review, Academy of Management Executive and Organizational Research Methods. He served as the Program Chair of the Corporate Strategy and Governance Interest Group in the Strategic Management Society. He has authored or co-authored many articles appearing in journals such as the Strategic Management Journal, Academy of Management Journal, Academy of Management Review, Academy of Management Executive, Administrative Science Quarterly, and Journal of Management, among others. A paper published in Academy of Management Executive in 2001 received an award from the U.S. Association for Small Business & Entrepreneurship (USASBE) as the best article published in corporate entrepreneurship during 2001-2002. He is a Fellow of the Academy of Management. R. Duane Ireland was elected as a member of the SMS Fellows in 2010.
**SESSION 244**

**PLENARY TRACK**

<table>
<thead>
<tr>
<th>TRACK Q</th>
<th>Date</th>
<th>Time</th>
<th>Showcase Panel</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tuesday, Oct 1</td>
<td>14:15 – 15:15</td>
<td>Int'l Ballroom D</td>
<td></td>
</tr>
</tbody>
</table>

**The Role of Phronesis in Strategic Action**

**Session Chair**
Elena Antonacopoulou, University of Liverpool

**Panelists**
Liam Fahey, Executive Director Leadership Forum Inc.
Laurence Prusak, Independent Consultant
Klaus Tilmes, World Bank

This session will be a conversation with leading practitioners and thought leaders in strategic management reviewing the growing attention to the role of phronesis (practical judgement) in leadership and management practices underlying strategic action.

**Elena Antonacopoulou** is Professor of Organizational Behavior at the University of Liverpool Management School where she leads GNOSIS - a research initiative advancing impactful collaborative research in management and organization studies. Her principal research interests include change, learning and knowledge practices in organizations and the development of new methodologies for studying social complexity. She has successfully secured government and corporate funding that supported a series of international research projects on Organizational Learning, Social Practice and Dynamic Capabilities working collaboratively with leading researchers internationally and with practitioners and policy-maker in co-creating knowledge for action. She writes on all the above areas and her work is published in related top international journals and books. Her expertise has been put to good use in a range of leadership roles in her professional community including: the Academy of Management, the European Group for Organizational Studies, the British Academy of Management and the Society for the Advancement of Management Studies.

**Liam Fahey** is co-founder and Executive Director of Leadership Forum, Inc. and serves as Professor of Management Practice at Babson College. He is the (co)author or (co)editor of eight books and over 50 articles and book chapters. His research has appeared in such publications as SMJ, AMR, AME, JOM, CMR, HBR, and Journal of Marketing. He served as Co Chairperson of The Strategic Leadership Forum’s annual strategic management for ten years. He has won multiple awards for his research, teaching and professional activity including a co-authored Journal of Marketing paper which won four different awards for its contribution to theory and practice and the “Outstanding Teacher of the Year” by the students at the Kellogg School of Management. His corporate clients have included DuPont, GE, IBM, J&J, Merck, P&G and Texas Instruments. He has participated in executive education programs for more than ten universities.

**Laurence (Larry) Prusak** is a consultant, researcher and writer who has been focusing his efforts on organizational knowledge and learning for the past two decades. He is widely published and has taught and lectured extensively on these subjects. He is currently a senior knowledge adviser to NASA, the World Bank and the Gates Foundation.

**Klaus Tilmes** joined the World Bank Group (WBG) in 1989 as Country Economist in the Africa Region. He has since held various assignments on infrastructure reform, private sector development, and corporate strategy, before managing knowledge programs and evaluation capacity initiatives at the Word Bank's Independent Evaluation Group (IEG). Most recently, he served as Advisor for the Managing Director on the Bank’s overall knowledge strategy, followed by his current assignment to pilot the implementation of new approaches for global knowledge delivery to clients. He received a Master in Economics from Mannheim University in Germany and a Master’s in Public Administration from Harvard.

**15:15 – 15:45**

**COFFEE BREAK**

Heli Arminen, Lappeenranta University of Technology
Anni Tuppura, Lappeenranta University of Technology
Satu Pätäri, Lappeenranta University of Technology
Ani Jantunen, Lappeenranta University of Technology

In this paper, we empirically examine whether changes in corporate social performance (CSP) precede changes in corporate financial performance (CFP), or the other way round. We study Granger-causality of CSP-CFP separately in energy and food industries. The result show that it is more likely in both industries that changes in CFP take place before changes in CSR, which lends support to the ‘slack resources’ argument. We find only weak evidence that changes in CSP would happen before changes in CFP, suggesting that in these industries it is improbable that CSP could affect CFP.

Direct and Joint Impacts of Corporate Political Engagement and Social Engagement on Financial Performance

Asli Kozan, HEC-Paris

This paper investigates the direct and joint impacts of corporate political sponsorship and corporate community engagement on financial performance, using a unique longitudinal dataset covering the period from 2002 to 2010, for UK companies. The results show that corporate political sponsorship has a negative impact on financial performance, whereas when coupled with corporate community engagement, this negative impact diminishes. The results point at a complementarity between these two non-market strategies.

Managing the Triple Bottom Line: Corporate Social, Environmental, and Financial Performance in FT500 Firms

Stephen Chen, University of Newcastle

Determining the links between the different elements of the triple bottom line, Corporate Social Responsibility (CSR), Environmental Responsibility (ER) and Corporate Financial Performance (CFP), has been a topic that has been investigated by strategic management researchers for several years now but results have been inconclusive. This paper proposes that some of the conflicting findings may be explained by: including reputation as a mediating variable between CSR, ER and CFP; Different elements of CSR and ER having different effects on CFP; Examining the reciprocal relationships between different elements of CSR, ER and CFP. We test our hypotheses using a sample of firms in the FT500 using multilevel regression models and PLS-SEM.

Transfer of Corporate Social Performance Portfolio through CEO Migration

Bongsun Kim, University of Illinois-Urbana Champaign
Jungbien Moon, Korea University
Eoonsoo Kim, Korea University

In CSR literature, the determinants as opposed to consequences of firms’ propensity toward CSR strategy have not received much attention. By integrating CSR, upper echelon theory, and strategic change literature, this study explores the transfer of CSP (Corporate Social Performance) portfolio through CEO migration and how CEO’s prior firm’s CSP and CEO tenure influence the transfer of CSP portfolio. By examining the CEO migration across 2,631 firms over a 12-year period, this study demonstrates that the interfirm movement of CEO is associated with assimilation of the two firms’ CSP portfolios. Our findings will offer an insight into CSR strategy by suggesting the concept of CSP portfolio and its interfirm transfer through CEO migration. CEO-directed change on CSP portfolio is distinctive and highly under-researched issue.

Determinants of the Optimal Organizational Strategy in Competing with Two Business Models

Costas Markides, London Business School
Dodo zu Knyphausen-Aufsess, Technical University of Berlin
Hendrik Harren, Technical University Berlin

How can a firm manage two different and conflicting business models at the same time? The existing literature suggests that: (i) there are alternative organisational strategies that could help a firm do this; and (ii) the optimal organisational strategy is dependent on the presence (and relative strength) of two main factors—synergies and conflicts between the two business models. These propositions have been supported primarily through case research. In this paper we use simulation modelling to determine whether these two factors are indeed important and explore how they interact to influence the choice of organisational strategy in managing two business models. In addition, we explore the influence that several other factors have on the performance of the different organisational strategies that the firm might pursue.

Estimating Value Creation from Revealed Preferences: Application to Value-Based Strategy

Olivier Chatain, University of Pennsylvania

Value creation and value capture are fundamental concepts for understanding performance heterogeneity. Yet, in real world situations, strategy researchers are rarely able to link differences in value creation to differences in value capture and firm performance. The main hurdle is the difficulty in empirically evaluation value creation. In this paper, I advance a framework based on the logic of revealed preferences to estimate the extent of value creation in interfirm transactions. These estimates can be directly leveraged in biform games to analyze the impact of strategic decisions on value capture. I present a detailed example of the application of this framework to the estimation of value creation by suppliers of legal services and the implications for their strategy.
How Much Does Success in Searching for New Strategies Hinge Upon Cognitive Prior Assumptions?
Timo Ehrig, Max Planck Institute for Mathematics in the Sciences
We present a Bayesian approach to search in new business environments, which allows us to explore how much success in searching new environments hinges upon the cognitive prior assumptions of decision-makers in a firm, if the environment is characterized by complementarities. Our theoretical model demonstrates that it is unlikely that new strategies are found by luck alone, if a business environment is characterized by complementarities and the number of trial actions of a firm sufficiently small.

SESSION 79
MANAGING THE CORPORATE PORTFOLIO
TRACK F
Date Tuesday, Oct 1
Time 15:45 – 17:00 h
Common Ground
Room Cottonwood Room AB
Facilitator Jerayr Halebian, University of Georgia

Absorptive Capacity and Performance: The Effect of Diversified Business Group Affiliation
Pasquale Massimo Picone, University of Catania
Naga Lakshmi Damarahu, Indian School of Business
Giovanni Battista Dagnino, University of Catania
Absorptive capacity develops progressively and accumulatively over time by means of the interaction with a variety of inter-organizational elements. This study explores what extent the diversity and overlap of knowledge among affiliated firms generated by the business group’s diversification strategy impact on the firm’s absorptive capacity. Furthermore, we aim to test whether absorptive capacity represents a generative mechanism through which the diversified business group affiliation is able to influence the affiliated firms’ performance.

Broad or Narrow: Which Portfolio Suits Family Managers and Directors?
Christian Stadler, Warwick Business School
Michael Mayer, University of Bath
Julia Hautz, University of Innsbruck
Kurt Matzler, University of Innsbruck
This paper explores the impact of family managers and directors on the performance of firms with broad or narrow product portfolios. We test the effectiveness of family managers and directors in the context of these different strategies using a dataset of 384 publicly traded German firms from 2000 to 2009. We find that family members are better placed to manage and control firms that are narrowly focused rather than diversified as they may not have the expertise, skills and capabilities to manage the complexity of the latter. However, we also show that these initial constraints can be overcome with time.

Integration Strategy or Strategic Integration? Including the Environment in M&A Integration Processes
Svante Schriber, Stockholm School of Economics
Integration processes are increasingly identified as central for M&A. Integration process studies primarily have dealt with factors internal to the involved organizations. In contrast, little attention has been given influence on the integration process from the environment outside of M&A. The purpose of this study is to contribute to integration process theories by analyzing the external influence on M&A integration management. Findings based on qualitative data from the integration processes of two M&A show that integration strategies were insufficient in explaining how integration was managed. Opening up the integration process to influence from the environment has consequences both for the challenges meeting integration managers, and for valuating M&A, and contribute to explaining why M&A so often are reported to fail.

The Value Traps Facing Corporate Functions
Sven Kunisch, University of St. Gallen
Guenter Mueller-Stevens, University of St. Gallen
Andrew Campbell, Ashridge Business School
Corporate functions are the headquarters functions in a divisionalised company. These functions, such as corporate Finance, HR, IT, Marketing, and Strategy, have been increasing in their numbers, size and influence. While they can add significant value as part of the ‘corporate parent’, they also often subtract value, interfering in unhelpful ways and imposing bureaucracy and delays. Our research, with 30 European companies, exposed four typical value traps that are the root causes of subtracted value. These value traps appear to occur because of the different challenges that corporate functions face at different stages in their life cycle.

Towards a Theory of Corporate-Level Ambidexterity: Portfolio Dynamism Heterogeneity and Company Performance
Martin Weiss, University of Erlangen-Nuremberg
Andreas König, University of Erlangen-Nuremberg
We contribute to the dynamic capabilities literature by introducing and studying the concept of portfolio dynamism heterogeneity (PDH) – the cumulated between-businesses variation in industry dynamism represented in a company’s business portfolio. Extant theory suggests that managerial challenges differ substantially depending on the level of dynamism (the frequency, intensity, and uncertainty of change) in a given industry. We argue that it is therefore, ceteris paribus, counterproductive for companies to simultaneously manage businesses from industries that deviate strongly with regard to their dynamism. However, we also propose that companies can (over)compensate the effects of PDH if they develop “corporate-level ambidexterity.” A longitudinal test of our hypotheses on a global sample of 744 companies in the years 2003 to 2010 reveals both supporting and surprising results.

Will Spun-off Units from Unsuccessful Parents Survive Better?
Mina Lee, Xavier University
Xioli Yin, Baruch College
This study examines how prior performance of parent firms might subsequently affect the spun-off units’ survival. We propose that parent firms with strong performance tend to increase the likelihood of the spun-off units’ survival in the short run. However, parent firms with weak performance tend to increase the likelihood of spun-off units’ survival in the long term. We also suggest that the ownership of parent firms, as well as legacy spinoffs, will moderate the relationship between parent firms’ performance and spun-off units’ survival.

SESSION 217
DIVERSIFICATION AND CROSS-BORDER COORDINATION
TRACK G
Date Tuesday, Oct 1
Time 15:45 – 17:00 h
Paper
Room Dogwood Room B
Session Chair Daphne Yiu, Chinese University of Hong Kong

Accelerated Internationalization and Performance: The Case of Spanish New Multinationals
Raquel Garcia-Garcia, University of Oviedo
Esteban Garcia-Canal, University of Oviedo
Mauro Guillen, University of Pennsylvania
The decision of internationalization must be considered endogenous, as firms are the ones which make the choice to diversify. However, empirical studies within this field have usually failed to account for it. For this reason, we analyze the effect of an accelerated internationalization on
performance accounting for endogeneity by implementing Heckman's two-step estimation method (1979). We predict that the characteristics of the countries they enter as well as the ones from their own internationalization process have an impact on performance. This is tested by using a panel data sample from 1986 to 2010 which includes all Spanish listed firms in 1990.

Born This Way: How Home Country Imprints Firm Capabilities Overseas

Brian R. Tan, Nanyang Technological University
Asda Chintakananda, Nanyang Technological University

This study uses an institutional framework to test the influence of home country institutions on the geographic-diversification and performance relationship. Our investigation highlights how three important country institutions, political stability, regulatory effectiveness, and collectivism, act as a noisy/quiet room, which leaves an imprint on firms and affects their diversification performance abroad. Results indicate that political stability and collectivism positively influence the diversification-performance relationship, while regulatory effectiveness negatively influences the diversification-performance relationship. We offer insights for managerial implications on how firms can manage their performance abroad despite their imprint from their home country.

Managing Levels of CSR Implementation within an MNC: The Role of Receptivity to Institutional Pressures

Anne Jacqueminet, HEC-Paris
Rodolphe Durand, HEC-Paris

This article focuses on the antecedents of the implementation of corporate social responsibility (CSR) practices in the subsidiaries of a multinational corporation (MNC). We study how the subsidiaries’ receptivity to institutional pressures moderates the influence of internal and local institutional pressures on their level of CSR practices implementation. We show that the influence of an institutional pressure does not only depend on its absolute strength, or even on the level of receptivity of the subsidiary to this pressure, but also, and most importantly, on the level of receptivity to other pressures. While receptivity to a pressure might reinforce its influence, receptivity to other pressures will limit it. The data we collected on 101 worldwide subsidiaries of an MNC provide strong support for this substitution effect.

SESSION 203
TOP, MIDDLE, AND FRONT MANAGERS IN STRATEGY PROCESS

<table>
<thead>
<tr>
<th>TRACK H, TRACK O</th>
<th>Date</th>
<th>Tuesday, Oct 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>15:45 – 17:00 h</td>
<td></td>
</tr>
</tbody>
</table>

| Paper | Room       | Redwood Room |
|-------|------------|

| Session Chair | Ignacio Canales, University of Glasgow |

How Chief Strategy Officers Affect Their Firm’s Strategic Decision Quality

Markus Menz, University of St. Gallen

The number of firms with a chief strategy officer (CSO) has recently increased. While the primary reason to have a CSO is to improve firm’s performance, the limited prior research could not support this relationship. Using data from a survey of CSOs in European firms, we analyze how CSO’s background characteristics (firm tenure, educational level, business education, consulting experience) and role design features (proximity to the CEO, strategy development focus, strategy department size) affect a firm’s strategic decision quality, as well as to what extent these relationships are contingent upon the firm’s corporate strategy. By revealing that CSOs indeed affect their firm’s strategic decision quality, our findings contribute to research on CSOs and functional executives.

Inclusion in Strategy Making: An Empirical Investigation

Gabriel Szulanski, INSEAD
Odeya Szulanski, Yadachi

With more strategic decisions drawing on input from changing combinations of people, rather than relying purely on a stable top team, it is not surprising that inclusion is emerging as one of the most salient issues in the research and practice of strategy. As the cast of players of strategy-making has changed so have the methods. Despite the fact that a fairly significant amount of empirical research has gone into the who and the how of inclusion, generalizations are still hard to make. We believe it is of importance to gain a comprehensive understanding of the forms inclusion takes in practice. This paper reports on the findings from a case-based, longitudinal examination of the strategy-making process in large business organizations with a focus on inclusion.

The Interaction of Top and Middle Managers in Strategy Implementation: Examining Hierarchical Linking Mechanisms

Sebastian Fourné, Erasmus University-Rotterdam
Tom Mom, Erasmus University-Rotterdam
Mariano L.M. Heyden, University of Newcastle
Justin Jansen, Erasmus University-Rotterdam

Whereas existing research has focused on the role of top managers in strategy formulation, we seek to investigate the drivers of effective strategy implementation. We posit that implementation success hinges on the effectiveness of the interface mechanisms linking hierarchical levels. Middle managers serve as pivotal boundary-spanners between top and operational level managers as organizations implement increasingly complex strategies. Shifting the attention from upper echelons to the interaction between top and middle management allows developing a nuanced understanding of strategy implementation. We propose cognitive flexibility, integrative bargaining, and issue-selling as key drivers of strategy implementation quality and speed. In this nascent conversation on interface mechanisms bridging hierarchical levels in the context of strategy implementation, we provide foundational insights, suggest theoretical extensions, and discuss practical implications.

Who are the Better Predictors: Frontline Employees or Executive Managers?

Carina Antonia Hallin, Copenhagen Business School
Torben Juul Andersen, Copenhagen Business School
Sigbjorn Tveteras, Pontifical Catholic University of Peru

Strategic initiatives can derive from frontline employees as they respond to needs and opportunities encountered in operations. Executives make judgments about corporate capabilities from financial reports and discussions with other key specialists. The information gathered by executives may be qualitatively different from the sensing by employees. We tested six different operational capabilities as predictors of Employee Sensed Operational Capabilities (ESOC), based on more than 400 observations, collected from two medium-sized organizations over 18 months. We performed a prediction contest between frontline employees and executives’ sensed operational capabilities to test their ability to predict organizational performance. Distributed lag models reveal that the sensing of frontline employees is a better predictor of firm performance than executive judgments.
Challenging A Lion: Relative Status and Stock Market Reactions to Patent Litigation Announcements  
Yan Zhang, Rice University  
Xiwei Yi, Rice University  
Haiyang Li, Rice University  
Patent litigation has increasingly become a powerful strategic and legal weapon for firms in the knowledge economy. In this study, we examine how plaintiff firms' and defendant firms' relative status in terms of firm size and innovation reputation affect stock market reactions to these firms upon a patent litigation announcement. Focusing on patent litigation announcements in Wall Street Journal in 2005-2010 and by examining the relative status in the plaintiff-defendant dyads, we find that when a plaintiff has lower status than the corresponding defendant, the plaintiff gains more but the defendant loses less. Our findings contribute to a better understanding of stock market reactions to patent litigations and suggest that low-status firms may benefit from "negative associations", e.g., initiating a patent litigation, with high-status firms.

Innovation Outside Firm Boundaries: A Real Options Perspective on Appropriability, Commercialization Strategies and Firm Performance  
Mary Beth Rousseau, Georgia Southern University  
Franz Kellermanns, University of North Carolina–Charlotte  
This study examines the relationship between appropriability conditions of intellectual property protection, complementary assets and uncertainty, and the firm's decision to commercialize innovations outside organizational boundaries. Applying real options theory to a firm's innovation strategy, I hypothesize that external commercialization strategies mediate the effect of appropriability conditions on firm performance. Hypotheses tests on a sample of 1600 firms in the manufacturing sector are forthcoming. Integration of real options theory and the appropriability framework offers a theoretical extension of both literatures. Results of the proposed hypothesis tests are expected to make an empirical contribution to the innovation literature. The study also provides practitioners with guidance in selecting commercialization strategies that enhance value appropriation from their innovations and ultimately firm performance.

Patent Premium in Countries with Weak Intellectual Property Rights Protection  
Can Huang, United Nations University-MERIT  
Zhe Qu, Fudan University  
Given the high opportunity cost of patenting in the countries with weak intellectual property right (IPR) protection, it is paradoxical to observe an increase of patenting activities by multinational corporations and indigenous companies in some of those countries in the past decade. We undertake a large-scale firm-level study in the context of China (an emerging economy with weak IPR protection) to investigate the cost and benefit associated with patenting activities there. We employ the method of propensity score matching to investigate whether the total factor productivity of multinational corporations and indigenous companies grew faster after they applied for patents in China than had they not done so, and also compare the increase of total factor productivity at various levels of market competition.

Strategy, Organization and IP Management in Knowledge-Intensive Service Firms  
Panos Desyllas, University of Manchester  
Ian Miles, University of Manchester  
Marcela Miozzo, University of Manchester  
Hsing-fen Lee, University of Manchester  
We advance the debate on the determinants of IP management by exploring how the strategic and organizational characteristics of knowledge-intensive service firms interact with different innovation types to co-determine an IP protection strategy. We develop a set of hypotheses about the way that firms compete, whether they have systematic organizational processes and practices and whether they collaborate with partners for innovation. The multivariate probit regression analysis is based on a unique survey sample of 206 service product and process innovations introduced by 136 British and American publicly traded service firms. The results confirm that a firm's strategy and organizational approaches alter considerably the balance of benefits and costs from adopting different IP protection methods. Implications for the practice of capturing value from innovation are discussed.

Attractors Driving Technological Innovations: The Case of Teflon Innovation  
Yuanyuan Zhao, Leiden University  
There is a situation: on the one hand, technological innovation is agreed to be the drivers for economic growth; but on the other hand, the dynamics and uncertainty underlying technological development raises a tough question for policy-makers and practitioners in terms of making policies and strategies that can support technological innovation. Strategic insights into how innovation process evolves over time are necessary before this process can be effectively influenced. This study contributes to insights into the Teflon innovation processes using complexity theory. A chronological description of Teflon innovation is presented in this paper in the form of events. By coding these events into a standard set of system functions, reinforced cycles are observed, which form attractors underlying Teflon's innovation process.

Feel versus Fail to Leap: A New Paradigm in Sustainable Innovation  
Philippe Byosiere, Doshisha University  
Denise Luethge, Northern Kentucky University  
The business world is rapidly changing, new products are entering the market quickly, product life cycles are getting increasingly shorter and competition is becoming even more aggressive as firms from more and more countries, particularly from emerging markets, are competing beyond their own borders. As a result, innovation is critical for firms to survive and prosper in the short term, while survival in the long term requires sustainable innovation. Firms know how to innovate, but they most often do not know what to innovate. We describe a two phase process to assess and implement innovative ideas to assist organizations in developing a sustainable innovation process.
Similarity, Organizational Clustering, and Simple Identities
Christina Fang, New York University
Ji-hyun Kim, Yonsei University
Joseph Porac, New York University

Categorization processes are fundamental to industries and markets. Most existing research, however, has focused on the use of existing and well-formed categories. Little research has been done by organizational scholars to understand the fundamental clustering processes that underlie the formation of organizational categories and the judgments of similarities that such clustering entails. Our research is an attempt to address this gap in the literature. We use the classic Schelling segregation model as a platform to explore how different attribute structures and attribute aggregation rules influence clustering dynamics among a collection of simulated agents.

Where’s My Hybrid: Radical Technology and Serendipitous Entry
Kevin Miceli, University of North Carolina-Chapel Hill
Atul Nerkar, University of North Carolina-Chapel Hill

Most new technological trajectories start through the serendipitous entry with radical technological combinations much earlier than formal announcements made by firms. We address an implicit assumption of innovation market studies by disconnecting these two entry points. Using the knowledge-based view of the firm and technology as knowledge recombinations, we demonstrate that experience positively relates to technological entry but serendipitous entry is facilitated by diverse recombinations. Competitive and environmental characteristics then determine the path to formal entry. We test our hypotheses within the context of hybrid-electric vehicle development between 1975–2009.

Where’s My Hybrid: Radical Technology and Serendipitous Entry
Kevin Miceli, University of North Carolina-Chapel Hill
Atul Nerkar, University of North Carolina-Chapel Hill
Most new technological trajectories start through the serendipitous entry with radical technological combinations much earlier than formal announcements made by firms. We address an implicit assumption of innovation market studies by disconnecting these two entry points. Using the knowledge-based view of the firm and technology as knowledge recombinations, we demonstrate that experience positively relates to technological entry but serendipitous entry is facilitated by diverse recombinations. Competitive and environmental characteristics then determine the path to formal entry. We test our hypotheses within the context of hybrid-electric vehicle development between 1975–2009.

Strategizing as Organizational Identity Work
Julia Balogun, Bath University
Gwyneth Edwards, HEC-Montreal
Ann Langley, HEC-Montreal

Organizational identity is believed to play an important role in the process of strategic change. However, in most research, identity is considered as a well-defined object, an end-state either achieved or desired. We argue for a process-based, actor-centred view of organizational identity construction as “work” i.e., as strategizing activity requiring effort on the part of groups and individuals. Organizational identity work involves attempts at sensemaking, sensegiving and identity regulation that may give rise to both conflict and consensus. We argue that identity work is inextricably linked with the practice of strategy, where the ongoing negotiation between individual, group and organizational identity constructions is tied to the recognition and determination of the firm’s trajectory.

The Role of the Strategic Planning Function in Contemporary Multi-Business Firms
Paul Knott, University of Canterbury
Chatthai Thnarudee, University of Canterbury

In many contemporary multi-business firms, strategic planning has evolved into a network of quasi-independent processes coordinated between multiple units and levels. This has a number of implications, not least for the strategic planning function, which is still present in many firms but has new and changed roles. For this paper, we draw on case study findings and the strategic planning experience of one of the authors to articulate these roles as they are practiced in two multi-business firms. We find that the strategic planning function retains a role as guide and facilitator of programmed strategic planning processes, but that its most central role has become promoter and coordinator of integration between functions and units, such as cross-unit strategies. We describe the activities and tactics adopted by planning managers in our study companies to achieve this integrative role, using what can be characterized as influential power.

Possible Futures, Present Logics: A Neo-Institutional View of the Scenario Planning Process
Gary Bowman, University of Cambridge
Ryan Parks, Mount Royal University

This paper integrates work on institutional logics with that of sensemaking in the context of the scenario planning process. We explore the influence of three societal-level institutional logic struggles, as manifested within the context, content and process of a large public sector organization’s scenario development exercise. We view this as a significant opportunity to employ institutional logics to enhance our understanding of the political nature of public policy development and as an opportunity to challenge the assumptions of scenario planning as a strategy tool. Conversely, we also use the sensemaking-sensegiving activities of scenario planning to identify occasions where institutional logics have a direct impact on the strategic dialogue.

Antecedents and Performance Outcomes of Entrepreneurial Orientation among Russian Private Sector Manufacturers
Galina Shirokova, St. Petersburg University
Germain Richard, University of Louisville

The research advances several theoretically grounded predictions concerning the antecedents and performance outcomes of entrepreneurship orientation (EO) in emerging markets. Based on a sample of 769 Russian private sector firms, we show that EO is not unidimensional, but rather multidimensional with innovativeness/proactiveness and risk-taking as distinct orbits of potential influence on
firm performance. Our analysis shows that in the developing Russian business environment, factors such as industry product change, foreign competitor growth, and management internationalization have a positive impact on the different EO manifestations. Moreover, spatial remoteness from Moscow is observed to have a negative effect upon the EO innovativeness/proactiveness. The analysis shows that EO innovativeness/proactiveness and EO risk-taking predict organizational performance.

Micro-Processes of Organizational Adaptation before and after Business Model Legitimacy
Bart Clarysse, Imperial College London
Mike Wright, Imperial College London
Charlotte Pauwels, Imperial College Business School
A growing body of research devotes attention to business models as a unit of analysis. Although there is convergence in the literature on business models being important in explaining the competitive advantage of established firms, there is little insight into how new firms develop a viable business model. Building on an ethnographic study of a new venture, we develop a process model that accounts for the interplay between business model development and resource orchestration. We unpack the micro-processes leading to business model exploration and transformation and build a fine-grained insight into how resource characteristics and management processes enable these forms of business model development.

Network Level Isomorphism, International Experiential Knowledge and Network Position in Market Entry Mode Choice
Marie Oehme, University of Mannheim
Suleika Bort, University of Mannheim
Conducting a longitudinal event history analysis our research aims to reveal new insights on the relevance of peer behavior, network embeddedness, and experience as determining factors of small and medium sized firms’ market entry mode choice. We contribute to the growing literature on international entrepreneurship and institutional theory by showing how isomorphism, firm level experiential knowledge, and network position impact and interact with regard to SMEs’ internationalization patterns. Thus, we extend prior research by going beyond investigating internationalization propensity and speed in general. Testing our hypotheses on the complete population of German biotechnology firms between 1996 and 2011, our findings indicate positive effects of network level isomorphism and positive but diminishing effects of experiential knowledge on SMEs’ market entry mode choice. Our findings furthermore reveal a negative impact of network centrality on the persistence of imitative tendencies.

Novel Strategies to Combat Constitutional Uncertainty: Compensatory Real Options and Private Ordering Among International Entrepreneurs
Richard Hunt, University of Colorado-Boulder
Drawing upon real option theory and private ordering, I contrast diverse approaches taken by international entrepreneurs facing constitutional uncertainty. Through transaction-based analysis of 1,040 lumber exporters from 52 countries, I identify novel market-based mechanisms that I have labeled “compensatory real options” (CRO), whereby firms are rewarded with future opportunities for their willingness to transact business despite constitutional uncertainty. My findings suggest that entrepreneurs using private ordering mechanisms will be compensated with CROs, which leads to rapid forward internationalization. Meanwhile, entrepreneurs who opt for onerous payment terms, extensive contracting or government assistance seldom generate CROs. The results elucidate the interplay between real options and private ordering, and introduce new lines of inquiry for scholars, new strategic alternatives for practitioners and a cautionary tale for policy-makers.
team's resourcefulness, the firm's strategic orientation, and the founder's identity interact to shape how founders structure their ventures' equity. Methodologically, this paper contributes an illustration of how set-theoretic approaches complement inductive analyses in building empirically grounded middle range theories.

SESSION 220
HR PRACTICES AND STRATEGIC HUMAN CAPITAL

HR PRACTICES AND STRATEGIC HUMAN CAPITAL

Contingency and Equifinality in SHRM: Strategic Fit in the Relationship between HRM and Firm Performance
Christopher Collins, Cornell University
Rebecca Kehoe, Rutgers University

Does competitive advantage arise from the implementation of a best practice approach to HRM, or do firms employing alternative HR systems more closely aligned with the specific capabilities required to achieve their strategic goals achieve higher performance? In this paper, we challenge the best practice approach to SHRM and examine alternative HR systems that may drive superior performance based on their fit to the strategic setting of the firms in which they are implemented. In the context of software firms following either an exploration or exploitation strategy, we find support for a contingency approach to SHRM – demonstrating the superior fit of alternative HR systems in different strategic contexts and highlighting the importance of strategic fit of HR systems in the achievement of competitive advantage.

Corporate Governance and Family-Friendly Workplace Practices
Dominic Heesang Chai, Seoul National University
Simon Deakin, University of Cambridge
Colm McLaughlin, University College Dublin

We use WERS 2004 to study whether a stock market listing makes a difference to the gender policies of listed firms, the extent to which they monitor gender equality outcomes in the areas of recruitment, promotion and pay, and how far they make provision for family-friendly practices above the level mandated by law. After controlling for firm size and related characteristics and for the extent of workplace diversity, we find that listed companies are significantly more likely to have gender policies than non-listed firms, but are no more likely to engage in monitoring of outcomes.

Recruitment as Strategic Practice
Robert Demir, Stockholm University
Jan Löwstedt, Stockholm University
Janne Tienari, Aalto University

Whereas the structuring and growth of the firm have long been central to conceptual development in strategy research, the literature has largely ignored how a fundamental practice such as recruitment can be of strategic importance for the sustenance of the firm's growth. The present study introduces recruitment as a strategic practice and elaborates on how this practice is crucial in creating and editing social and economic capital of the firm and how this interplays with its growth. It suggests three entrenchments – vertical, horizontal, and lateral – for striking a balance between the firm's explorative (diversification) and exploitative (specialization) activities for creating and modifying its competence base through strategic recruitment.

Renewing the Strategy Perspective in SHRM
Clinton Chadwick, University of Kansas
Carol Flinchbaugh, University of Kansas

As Molloy, Ployhart, and Wright (2011) recently argued, scholars from both OB/HRM and strategy bring the predefinitions of their foundational organizational sciences (namely psychology and economics, respectively) into strategic HRM (SHRM), and much of the intellectual vibrancy of SHRM research arguably stems from the interplay between these two foundations. Yet as we demonstrate in this proposal, SHRM research has recently been dominated by the OB/HRM “uni-versalistic” perspective. We believe that this imbalance is an inadvertent consequence of the fact that most SHRM scholars’ disciplinary foundation is psychology (Ployhart, 2012; Chadwick & Dabu, 2009), and that it can therefore be partially remedied through a discussion about what strategy scholars mean by the “strategy perspective”. Thus, we will use the review in this proposal to launch a discussion about how SHRM research can be enhanced by more strongly incorporating “it depends” perspectives from strategy.

The Dirty Laundry of Employee Award Programs: Evidence from the Field
Timothy Gubler, Washington University-St. Louis
Ian Larkin, Harvard University
Lamar Pierce, Washington University-St. Louis

Many scholars and practitioners have argued that corporate awards are a “free” way to motivate employees. Using field data from an attendance award program implemented at one of five industrial laundry plants, we show that awards can carry significant spillover costs which render them less effective at motivating employees than the literature suggests. Our quasi-experimental setting shows that two types of unintended consequences limit gains from the reward program. First, employees strategically game the program, improving timeliness only when eligible for the award, and call in sick to retain eligibility. Second, the best-attending and most-productive employees suffer a 6-8% productivity decrease, suggesting they were demotivated by awards for good behavior they already exhibited. Overall, our results suggest the award program decreased plant productivity by 1.4%.

Worker Preferences and Competitive Advantage: How 9/11 Changed Attorney Preferences for Non-pecuniary Utility
Seth Carnahan, University of Maryland
David Kryscynski, Brigham Young University
Daniel Olson, University of Maryland

Strategy scholars have recently recognized the importance of worker non-pecuniary preferences in the pursuit of human capital-based competitive advantages. However, it appears that they have also implicitly adopted a static view of worker preferences. Research in other areas, however, suggests that worker preferences are not stable over time, and firms may need to adjust their attributes accordingly. The purpose of the present paper is to explore the effect of a labor market shock on the career choices of professionals in order to better understand how firms may need to respond to changes in employee preferences for pecuniary utility. Specifically, we plan to study how the 9/11 terrorist attacks affect the pursuit of non-pecuniary utility in the career choices of attorneys.
CONTINGENT NATURE OF SECONDARY STAKEHOLDER SALIENCE
Andrew Bryant, Jennifer J. Griffin

We consider the impact of primary stakeholder power on the relationship between activist characteristics and improvement in firm environmental performance following an activism event. Prior studies have employed stakeholder salience logic to explain the influence of secondary stakeholders on firm response to activism. However, secondary stakeholders wield only normative power in relation to the target firm, while primary stakeholders wield coercive or utilitarian power. Because of these power characteristics, only primary stakeholders can directly affect firm value. Therefore, shareholder-oriented managers are likely to perceive a threat from secondary stakeholders only to the extent that they threaten the firm’s relationship with its primary stakeholders. We extend stakeholder salience theory by explaining how the salience of secondary stakeholders is contingent upon the power of primary stakeholders.

I DO NOT WANT TO END UP ON THE BLACK LIST: CORPORATE STRATEGY AND TERRORISM
Christian Lechner, Free University of Bolzano
Birthe Soppe, University of Oslo
Florian Kirschenhofer, Max-Planck-Innovations GmbH

Focusing empirically on a historical analysis of organized terrorism in Germany in the 1970’s, we investigate how terrorist groups, understood as (negative) stakeholders or particular interest groups, can have a significant influence on the strategy making of large corporations. We study how corporate strategic decision makers react to the concrete threat of terrorism, and how the actions of such groups, causing turmoil in the business environment, influence the strategic management of large firms. Research on how pressures of extreme interest groups affect corporate decision makers and making is highly important and timely, and sheds new light on features of firms’ strategy making. We also discuss implications of our findings for research on the intersection of stakeholder pressure and strategic management.

OUTSIDERS AS AGENTS OF SUSTAINABLE INSTITUTIONAL CHANGE
Theodore Waldron, Baylor University
Gregory Fisher, Indiana University
Chad Navis, UW-Madison

This study examines institutional entrepreneurs’ activities and processes for initiating, implementing, and normalizing divergent change in organizational fields other than their own. To do so, we conducted an in-depth, longitudinal analysis of the Rainforest Action Network’s efforts to alter a key sourcing practice in the home-improvement retail industry. The results convey how such outsiders theorize, mobilize support for, and institutionalize new arrangements, thus enabling us to conceptualize how outsiders’ entrepreneurial actions substantially differ from those of insiders seeking to change elements of their own fields.

STAKEHOLDER THEORY, REFERENCE INFLUENCES & CORPORATE SOCIAL INITIATIVES
Jennifer J. Griffin, George Washington University
Andrew Bryant, George Washington University

Stakeholder theory suggests it is in the best interests of managers to include relevant groups—those that affect the ability of the firm to achieve its objectives—when making decisions. Interestingly rivals and competitors are not explicitly identified as relevant groups and yet, rivals and peers’ behavior affects firm behavior via competitiveness and mimicry. We examine and extend the notion of rivalry as “relationally dependent dimension” by exploring how firms manage multiple stakeholder relationships. Our findings suggest that rivals and peers’ behavior has widespread and significant impacts on how a firm treated nearly all of its stakeholder relationships—strengthening relations and increasing concerns—suggesting how others’ treat stakeholders is an important part of the calculus in how a firm treats its own stakeholders.

COOPERATION AND INNOVATION

Commitment and Relationships: Nokia’s Strategy and Alliance Formation – 1996-2012
Markus Paukku, Aalto University

Corporate strategy has been presented as a commitment of resources towards a particular goal and, thus, alliances are an instrument by which the strategy is projected beyond the firm’s boundary. While it is known that these simple models are challenged by turbulent industry’s rapid technological change and frequent strategic renewal, less is known about the knock-on effects of strategy change on alliances. This longitudinal study follows Nokia’s corporate strategy and alliance formation from 1996 to 2012. The research identifies three distinct technology alliances strategies that both anticipate and support wider corporate strategy announcements. The alliance strategies also present an opportunity to fine-tune corporate strategy as the industry shifted towards competition between ecosystems.

Cooperation and Innovation to Shape Competitive Advantage: The Case of the Eurêka 100 GET project
Andre Nemeh, University of Montpellier 1
Said Yami, University of Montpellier 1

Prior research highlighted the prevalence of cooperation as a strategy for innovation in high-tech industries. The evaluation of this strategy based on its impact on firm’s innovative capacity doesn’t constitute a reliable measure. Based on an explorative case study approach, we analyzed European project 100 GET. Our results show that evaluating cooperation impact based on innovative capacity indicator leads to the perception of symmetric allocation of benefits, while the analysis of what is going on after the end of the project, shows that two partners have gained the most in this project. This difference between partners’ gains is mainly due to firm’s well perception of industry dynamics which led them to be better prepared and to have focused objectives in the collaboration.

Greening an Industry through Coopetition: The Role of Proximity in an R&D-Alliance to Create Environmental Innovations
Marianne Steinmo, University of Nordland
Siri Jakobsen, University of Nordland

Cooperation is found to be particularly important in the development of environmental innovations. Cooperation with competitors (coopetition) is of special importance when firms face a common challenge, like environmental problems. This paper explores how a coopetition alliance can facilitate increased environmental knowledge for firms with different size and R&D-intensity. By studying a Norwegian environmental project 100 GET, our results show that evaluating coopetition innovation in high-tech industries. The evaluation of this strategy based on its impact on firm’s innovative capacity doesn’t constitute a reliable measure. Based on an explorative case study approach, we analyzed European project 100 GET. Our results show that evaluating cooperation impact based on innovative capacity indicator leads to the perception of symmetric allocation of benefits, while the analysis of what is going on after the end of the project, shows that two partners have gained the most in this project. This difference between partners’ gains is mainly due to firm’s well perception of industry dynamics which led them to be better prepared and to have focused objectives in the collaboration.
Organizing Coopetition for Radical and Incremental Innovation: The Case of Wireless Telecommunication in Europe

Andre Nemeh, University of Montpellier 1
Said Yami, University of Montpellier 1

Previous research indicated coopetition as a strategy for innovation in high-tech industries for several reasons. But the link between the type of coopetition and innovation is still understudied. This study attempts to answer the following question: How the organization of the coopetitive context is related to the type of innovation? The results of an embedded case study approach of five Celtic-Plus projects (European Eureka Programme) in the wireless telecommunications sector show that two coopetitive structure configurations exist: wide and narrow, and highlight the moderating role of social capital between value creation/appropriation dynamics. The study proposes a conceptual model that links coopetition strategy motives to the types of coopetition and their outcomes in terms of radical or incremental innovation.

Knowledge Chain Position, Contextual Knowledge Distance, and Process Innovation

C. Annette Un, Northeastern University
Kazuhito Asakawa, Keio University

We analyze how different types of research and development (R&D) collaborations impact process innovation. We build on the knowledge-based view of the firm and propose that the impact of R&D collaborations on process innovation primarily depends on two knowledge dimensions: position in the knowledge chain and contextual knowledge distance. We find that upstream collaborations with universities and suppliers have a higher impact on process innovation than downstream collaborations with competitors and customers. Specifically, we find that while collaborations with suppliers and universities have a positive impact on process innovation, collaborations with customers do not appear to have an impact, while collaborations with competitors can potentially have a negative impact on process innovation.

Why Taking the Risk to Collaborate with a Competitor?: Case Evidence from Telecommunications Satellites Manufacturing

Anne-Sophie Fernandez, University of Montpellier
Frédéric Le Roy, University of Montpellier

Firms increasingly adopt coopetition strategies. Based on a risk evaluation, companies refuse to be involved in coopetition while others deliberately adopt it. Why do some companies take the risk to collaborate with a competitor while others avoid it? Features of the projects or activities jointly developed are not considered by previous empirical studies. An in-depth case study has been conducted in the European space industry. Relationships between two major manufacturers of telecommunications satellites, Astrium (EADS) and TAS (Thales) have been investigated. At the project level, findings highlight two main drivers of coopetition: the internationalization of the activity and the innovation. Collaboration between TAS and Astrium can be explained by the risk sharing. Companies would rather take the risks of coopetition than the risks of the project.

Firms accumulate knowledge from external R&D-partners through the competing partners. That is, they do not communicate well directly with the universities and R&D-organizations, but access the R&D results through their competitive partners which they have a closer technological proximity to.

SESSION 51

TICKET TO RIDE: OWNERSHIP AND CONTROL

TRACK O

Date: Tuesday, Oct 1
Time: 15:45 – 17:00

Paper
Room: Magnolia Room

Session Chair: Jean McGuire, Louisiana State University

Family and Institutional Ownership and Firm Performance: The Role of National Context

Jean McGuire, Louisiana State University
Sandra Dow, Monterey Institute of International Studies

Using a sample of firms from over 40 countries, we examine the relationship between family and institutional ownership and firm performance. We find negative performance effects of family ownership, and positive effects for institutional ownership. Most interestingly, however, we find support for the moderating effects of shareholder protections, economic development, power distance, and individualism/collectivism.

How Family Blockholders Protect Their Control of Public-Traded Family Firms: Evidence of Antitakeover Defense

Zhonghui Wang, University of North Carolina-Greensboro

Family blockholders who possess at least 5% voting power of public-traded family firms tend to protect themselves against the threat of hostile takeover because hostile takeovers negatively impact family owners’ socioeconomic wealth and private benefits of control. Correspondingly, family blockholders should generally support the supermajority requirement of merger approval (supermajority requirement) because the supermajority requirement can act as an antitakeover defense which potentially helps fend off hostile takeovers and ensures family blockholders’ control of the firm. Furthermore, the managerial delegates and board representatives of family blockholders should facilitate their principals’ support of the supermajority requirement. Relying on probit models with continuous endogenous regressors, I conduct empirical tests of the above-mentioned arguments on a large merged dataset.

Rethinking Burns and Stalker’s Dichotomy: The Role of Ex Ante Negotiation Over Rent for Firms’ Organizational Structure

Loredana Volpe, University of Rome
Gianluca Vagnani, University of Rome

This paper focuses on the role of ex ante negotiation over rent between owners and executives in accounting for organizational design differences among firms. According to rent appropriation theorists, key stakeholders might bargain to capture economic rents even before the rent is generated (Coff, 1999, 2010). The organizational design literature instead assumes that firm’s return follows organizational design (Burns & Stalker, 1961). Reversing the direction of causality between organizational design and return, our study sits at the crossroad of these streams of literature. We posit that when owners and executives negotiate ex ante over rent, an organizational structure that strengthens their bargaining power emerges, which approximates the quasi-organic form (Goffee, 1996; Goffee & Scase, 1985) with low formalization and some degree of centralization and specialization.

The Effect of Ownership Structure on Firm Corporate Social Responsibility: Evidence from Dual-Class Share Companies

Paul Seaborn, University of Denver
Tricia Olsen, University of Denver
Jason Howell, University of Denver

Dual-class share companies provide certain shareholders with voting power disproportionate to their ownership stake. This ownership structure is not new but has experienced a recent surge in visibility, as
high-profile technology companies such as Google and Facebook have adopted this ownership structure. However, dual-class share companies have been criticized for underperforming and not representing interests of less-privileged shareholders, prompting debate over whether the dual-class structure should be permitted or discouraged. Our research builds on agency theory and looks beyond financial performance to examine the link between dual-class share structure and corporate social responsibility (CSR) using a dataset of dual-class share firms for the period from 2005 to 2007. Does isolation from short-term stock market pressure allow dual-class share companies to outperform in terms of CSR?

SESSION 178
INFLUENCE OF PERFORMANCE FEEDBACK ON RISK TAKING

<table>
<thead>
<tr>
<th>TRACK P</th>
<th>Date</th>
<th>Tuesday, Oct 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Time</td>
<td>15:45 – 17:00 h</td>
</tr>
<tr>
<td>Session Chair</td>
<td>Brian McCann, Vanderbilt University</td>
<td></td>
</tr>
</tbody>
</table>

Passing Down the Throne of a Kingdom: The Influence of Performance Aspiration on CEO Succession in Family Firms
Jaemin Lee, INSEAD
Xiaowei Luo, INSEAD
Ji-Yub Kim, INSEAD

While the performance feedback studies have demonstrated performance feedback’s role in triggering corporate change, how dominant coalitions can use performance feedback differently to achieve their interests has not considered. We examine how performance feedbacks affect CEO successor’s origin—succession to family members vs. to nonfamily managers—in family businesses where controlling family needs to balance their goals of firm performance and preserving family control. An analysis of Korean family business shows that in general, performance decrease below aspiration level leads to succession to nonfamily CEOs, whereas performance increase above aspiration level leads to retention of the current CEOs. However, if the current CEOs are family managers, strong performance leads to within-family succession, suggesting that controlling family strategically leverages strong performance to accomplish family leadership transition.

Performance Attainment Discrepancies, Slack, and the Influence of Embedded Owners
Jaya Dixit, Rensselaer Polytechnic Institute
Jonathan O’Brien, Rensselaer Polytechnic Institute

In this paper we examine the contingency of the owners’ culture and institutional background in understanding how performance attainment discrepancies impact the accumulation and depletion of different types of slack. Specifically, we study the Japanese institutional context and how owners who have embedded ties to firms may shape these critical resource allocation decisions. Our results indicate that while there is generally a positive relationship between performance relative to aspirations and both absorbed and unabsorbed slack, embedded owners weaken both of these relationships. Furthermore, we divide potential slack based on the characteristics of debt and find that embedded potential slack is more sensitive to performance attainment discrepancies than is arm’s length potential slack.

Stock Market Reaction and Risk-Taking in Subsequent Acquisitions
Jaya Dixit, Rensselaer Polytechnic Institute
Bill Francis, Rensselaer Polytechnic Institute
Shyam Kumar, Rensselaer Polytechnic Institute

We study the impact of the stock market’s reaction to a prior acquisition on a firm’s risk-taking in the subsequent acquisition. Findings suggest that there is increased risk taking both as the magnitude of gains from the previous acquisition increase, and as the magnitude of losses increase. Additionally we find that acquirers with experience tend to take greater subsequent risks when they enjoy gains, indicating hubris. In contrast acquirers with limited growth opportunities tend to take greater risks when they experience losses, possibly in an attempt to improve their future prospects. Our findings show that prior market gains and losses act as an important reference point for subsequent acquisitions, and risk taking behavior is impacted significantly by this reference point.

The Influence of CEO Restricted Stock Value Relative to Reference Point on R&D Spending
Elizabeth Lim, Georgia State University
Brian McCann, Vanderbilt University

Prior work based on agency theory has focused on how absolute compensation values may align divergent interests of CEOs and shareholders by motivating CEOs to increase risk-taking. In contrast, we draw from behavioral decision theory to explain how relative compensation levels play a critical role. We theoretically and empirically investigate the relationship between CEO restricted stock values relative to their reference point and R&D spending in a sample of high-technology firms. We propose that losses in restricted stock values are associated with increases in R&D intensity while gains lead to R&D decreases. We also establish theoretical boundary conditions by considering CEO duality and board vigilance as moderators, predicting that the main effects will be enhanced under duality and weakened under high board vigilance.

SESSION 182
CORPORATE AND MANAGERIAL MISBEHAVIOR

<table>
<thead>
<tr>
<th>TRACK P</th>
<th>Date</th>
<th>Tuesday, Oct 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Time</td>
<td>15:45 – 17:00 h</td>
</tr>
<tr>
<td>Session Chair</td>
<td>Ivana Naumovska, Erasmus University - Rotterdam</td>
<td></td>
</tr>
</tbody>
</table>

Benevolent Deception: An Investigation of Mechanisms Underlying Failed Commitments in Organizations
Mohammad Amin Zargarzadeh, University of Calgary
Hannes Leroy, University of Leuven

The critics argue that the assumption of opportunism is overemphasized in TCE. Trying to represent more comprehensively the reasons for failed commitments, Verbeke and Greidanus (2009) propose the envelope concept of bounded reliability (BRel) as a substitute for the conventional TCE assumption of opportunism. Verbeke and Greidanus identified two main components for bounded reliability: 1. opportunism as intentional deceit and 2. benevolent preference reversal. In this paper we analyze 29 case studies which describe various aspects of the internal mechanisms of General Electric (GE) Company. We investigate mechanisms underlying failed commitments and the safeguards against the potential for such failures in General Electric. We propose a new dimension for BRel (named benevolent information distortion).

Putting Opportunism in the Backseat: Bounded Rationality, Costly Conflict, and Hierarchical Forms
Nicolai Foss, Copenhagen Business School
Libby Weber, University of California-Irvine

TCE puts more emphasis on opportunism than on bounded rationality. However, when the bounded rationality assumption is augmented to include interpretive limitations, we show that sources of costly conflict exist that are not rooted in opportunism. Moreover, we show that bounded rationality may drive opportunism. Additionally, although prior work suggested that hierarchy is a panacea for transaction costs, we show that different hierarchal forms (simple, unitary, multidivisional and matrix) are inherently subject to specific bounded-rationality-based
conflicts. Thus, they have different capacities to mitigate bounded-rationality-based transaction costs. In exploring both the sources of cognitive-based conflict and efficient hierarchical governance forms under different transaction characteristics, we contribute to a more nuanced understanding of hierarchy and push the bounded rationality assumption to the frontseat in TCE.

Stewards or Agents? White-Collar Crimes (2001-2011)
Kehan Xu, Sun Yat-sen University
This study examined how aggressive monitoring by boards of directors and executive hubris influence the likelihood of white-collar crimes in an emerging economy in which modern corporate governance mechanisms are still developing. Using a sample of 274 matched pairs of firms from 2001–2011, we found that shareholder value and aggressive monitoring by boards of directors decreased the likelihood of white-collar crime, while executive hubris of top managers increased the likelihood of white-collar crime. Additionally, firm risk factors increased the likelihood of white-collar crime, supporting the argument of cognitive biases of managerial decision-making.

Who Gets Burned when the Books are Cooked?: Investor Reactions to Managerial/Corporate Misbehavior
Ivana Naumovska, Erasmus University - Rotterdam
Edward Zajac, Northwestern University
This study analyzes the factors that lead firms to be stigmatized when their managers engage in corporate criminal activity. Specifically, we examine the role of institutional logics, firm history, organizational entitativity, and legal proceedings in financial investors’ social judgments of corporate liability. We test our hypotheses using the empirical context of the population of 1103 enforcement actions for financial misrepresentation in the US (1978–2011). In doing so, we seek to contribute to the literature on corporate stigma, social judgments of corporate liability and social constructions in financial markets.

Adaptation to Changing Environments by Management Teams with Contrary Interpretations of the Environment
Shardul Phadnis, MIT
Firms operating in dynamic environments need to adapt their strategies as the environments change. The success of a firm’s adaptation to the environmental changes is partly determined by whether its management team notices and correctly interprets the changes it needs to adapt to. Research shows that managerial interpretation of the ambiguous environmental events is subjective, and that different managers in the same firm can interpret a given event differently (as an opportunity versus a threat). How should a firm resolve such a discord in its management team’s interpretation? This mixed-methods research reveals the disagreement in an executive team’s interpretation of the firm’s environment using field research and evaluates the effectiveness of different ways to resolve the discord.

Capability Cues and the Updating of Organizational Reputation Assessments
Aaron Hill, Oklahoma State University
Scott Johnson, Oklahoma State University
Jason Ridge, Clemson University
Organizational reputation is at the center of a growing literature stream in strategic management. In general, this literature concludes both that an organization’s reputation is arrived at through a complex social processing of information about the organization’s capability to perform. Despite a wealth of research and significant advancements in this line of inquiry, little is known about how social processing is updated in light of new positive or negative informational cues about an organization’s capability. In this paper, we take a social processing perspective to address how positive and negative capability cues impact organizational reputation, and further, how the impact of those capability cues vary based upon the reputation level of the organization.

The Role of Informal Management Systems in Implementing Sustainability Strategies
Adriana Rejc Buhovac, University of Ljubljana
Marc Epstein, Rice University
Kristi Yuthas, Portland State University
This paper explores how large for-profit organizations are addressing the challenge of sustainability strategy implementation and improving their social, environmental and financial performance. Using the case study method at Nike, Procter & Gamble, The Home Depot and Nissan North America, the study investigates what is the role of various formal and informal management systems in enhancing sustainable decision-making. We find that, for these companies, informal systems, such as organizational culture and leadership may be more important to drive sustainability implementation than formal systems and processes. This finding provides at least a partial explanation for why implementation of sustainability has been so difficult for major corporations and the failure of traditional management control and performance measurement literature and practice to adequately address this issue.

Why CEOs Matter for Sustainability: The Effect of CEO Cognition on ESG Performance
Yoojung Ahn, University of Massachusetts-Amherst
Based on the upper echelons perspective, this paper builds on the idea that CEOs’ cognitive base and mental models help explain firm performance. A different kind of outcome – environmental, social, and governance (ESG) performance – is examined to test the prior theories on upper echelons. The study proposes that the amount, breadth, and consistency of CEOs’ mental models representing intent to pursue sustainability in letters to the shareholdes mediates the relationship between CEOs’ cognitive base and ESG performance. The paper contributes to building cognition theories for upper echelons by combining both CEO cognitive base and mental models to explain firm performance. By adding ESG performance as an additional organizational outcome, it adds sustainability as another dimension of firm performance that should be considered.
SESSION 223
RESEARCHERS HOOKED ON TEACHING / TEACHERS HOOKED ON RESEARCH

TRACK T          Date: Tuesday, Oct 1
                  Time: 17:15 – 18:30 h
Panel
                  Room: Int’l Ballroom D

Session Chair
Robert Wright, Hong Kong Polytechnic University

Panelists
Donald Bergh, University of Denver
Ming-Jer Chen, University of Virginia
Russell Coff, University of Wisconsin-Madison
Catherine Maritan, Syracuse University
Costas Markides, London Business School
Norman T Sheehan, University of Saskatchewan

Most academics polarize the important practice of teaching and research into separate and distinct worlds – often rarely integrating them as complementarities in our pursuits towards better scholarship. This session brings together a distinguished line up of world-class scholars whom have successfully bridged this apparent divide. One thing they have in common is a passion for new ideas and for challenging our current taken-for-granted-assumptions in our scholarship of teaching, learning and research. This engaging and interactive session will showcase their experiences in “translating” their research into teachable moments and their usable moments into research.

SESSION 198
THE EVOLUTION OF STRATEGIC MANAGEMENT RESEARCH

TRACK D          Date: Tuesday, Oct 1
                  Time: 17:15 – 18:30 h
Paper
                  Room: Hazelnut Room

Session Chair
Margaret White, Oklahoma State University

How Has the Strategic Management Field Progressed Over the Last Three Decades?
Denise Fleck, Federal University of Rio de Janeiro

The main purpose of this paper is to scrutinize the strategy field over the last three decades: its evolution, main characteristics, controversies, challenges and opportunities. The most significant outcomes of the analysis are: the field can be classified as proto-scientific; rigor has prevailed over relevance; diversity is pervasive and may threaten the field’s legitimacy within society; and organizational performance emerges as a key, yet ill-defined construct in the field. Rather than diversity, the field’s difficulties lie in the scarcity of studies on comprehensive, relevant questions. This requires longitudinal, multilevel approaches, like comparative historical research, which allows for conceiving and testing cross-cutting and diversity-aggregating theoretical frameworks.

How to be Relevant: A Systematic Analysis of the Rigor/Relevance Debate
Guillaume Carton, University of Paris-Dauphine
Philippe Mouricou, France Business School

The rigor/relevance debate has generated an intense conversation. Despite a growing consensus on the need for research to be more impactful, scholars have drawn radically different paths to bring research and practice closer. This accumulation of contributions that are often unarticulated with each other has led to a situation of confusion. This paper seeks to clarify this debate. It presents a taxonomy of different strategies to reduce the gap between research and practice. Based on a systematic analysis of 135 editorial statements, viewpoints, theoretical papers and empirical papers in top-tier journals, we show four different approaches academics take to bridge the gap, which take root in a different explanation of the origin of the gap and highlight their complementary nature by providing an integrative framework.

Time for a Reality Check? The Vanishing Role of Materiality in Strategy Research
Elisa Operti, ESSEC Business School
Stefano Brusoni, Swiss Federal Institute of Technology Zurich

The idea that evolutionary processes of variation, selection, and retention underpin the market outcomes is a cornerstone to strategic approaches to firms’ behaviour. Variation processes entail the generation of new ideas and bodies of knowledge by firms, sectors or whole economic environments. Selection refers to the endogenous or exogenous dynamics that ultimately contribute to separate the wheat from the shaft. Retention refers to the process by which new knowledge is stored in routines, objects and artifacts. We review 150 seminal articles building on Nelson and Winter’s 1982 book to assess the model’s overarching contribution to strategic management research. Through bibliometric techniques and thematic analysis, we document a progressive decoupling of models of variation, selection and retention from their concrete, material execution. We identify the causes and consequences of such departure and we discuss how bringing the material dimension back into the strategy field.

What Can We Learn from Self-Reported Limitations and Future Research Directions about the State-of-Science in Strategy Research?
Ulrich Wassmer, EMLYON Business School
Stephane Brutus, Concordia University

This study provides a critical analysis of self-reported limitations and directions for future research reported in empirical strategy articles published during the 25-year period from 1982 through 2007 in the Academy of Management Journal, Administrative Science Quarterly, Journal of Management, and Strategic Management Journal. We coded and analyzed self-reported limitations and directions for future research to draw inferences on the evolution of strategy research over this time period. Our analysis provides evidence of trends within the key research areas in strategy: Competitive strategy, corporate strategy and governance, global strategy, strategy process, knowledge and innovation, strategy practice, entrepreneurship and strategy, strategic human capital, stakeholder strategy, and cooperative strategy.

SESSION 229
COMPETITION CALLING

TRACK E          Date: Tuesday, Oct 1
                  Time: 17:15 – 18:30 h
Common Ground
                  Room: Cottonwood Room AB
Facilitator
Giovanni Battista Dagnino, University of Catania

Competitive Rivalry and Industry Change: Smartphone Market in the Netherlands
Elena Golovko, Tilburg University
Wolfgang Sofka, Copenhagen Business School

The aim of this study is to examine the competitive rivalry in a setting of industry change. We use the theoretical framework developed by Chen (1996) to connect market and technology positioning of firms to the competitive moves they choose and consequently to their performance. We argue that in a setting with high uncertainty triggered by the changes in an industry the predictions of the model may not hold, as the assessments of market and technology positions in an industry will become less reliable. Secondly, as firms are different in terms of knowledge they possess about markets and technologies some firms will be more prepared to cope with the uncertainty so will benefit more. Our empirical setting is the smartphone market in the Netherlands during 2008-2010.
Fast Enough but not Too Fast: Adaptive vs. Pioneering Strategies in Turbulent Environments

Alessandro Marino, University of Pennsylvania
Paolo Aversa, City University London
Jay Anand, Ohio State University

Firms often need to adapt to new contextual conditions, given that shifts in their environment tend to erode the value of their current knowledge and practices. Recent literature emphasizes both the need for firms to change and adapt, as well as the inherent risks in these efforts. In this paper we test the consequences of firms’ different strategic reactions in turbulent contexts. Specifically, we examine two alternative hypotheses: merely adapting to environmental changes, and pioneering explorative solutions. By modeling the impact of environmental changes in competitive dynamics, we aim to empirically examine the technological developments and performance of racing teams in the Formula One industry, where we find that mere adaptation can lead to superior outcomes than pioneering explorative solutions. We discuss implications for theory and practice.

Pre-Entry or Pre-Investment Experience? The Role of Firm Capability Reconfigurations for Market Entry into Nascent Industries

Mahka Moeen, University of South Carolina

This paper examines the capability antecedents of firm’s entry into nascent industries. Specifically, I make a distinction between a firm’s pre-investment and pre-entry capabilities in order to shed insight on the capability reconfiguration efforts that firms undertake in anticipation of entry into a nascent industry. I focus on investments in technological opportunities by firms during the incubation stage of industry evolution, defined as the period between introduction of a technological discovery and the first instance of product commercialization. I suggest, and find empirical evidence, that while the stock of technical capabilities and complements at the time of entry are related to the likelihood of entry; at the time of initial investment, the ability to gain access to these capabilities become important.

Strategic Flexibility As a Panacea or Pandora’s Box? A Meta-Analytic Review

Dennis Herhausen, University of St. Gallen
Robert Morgan, Cardiff University
Henk W. Volberda, Erasmus University-Rotterdam

It is axiomatic that strategic flexibility (SF) is a key success factor in generating competitive advantage. Despite this maxim, often peddled in the normative literature, empirical studies have produced inconsistent results for the strength and direction of this relationship. We synthesize these results and provide empirical support for a general, moderate, and positive effect of SF on performance. Moreover, we find that SF indirectly affects financial performance through its positive effects on innovation capability and superior market position, and that SF has a negative direct effect on financial performance. Importantly, the meta-analytic evidence also indicates that the SF-performance relationship depends on measurement methods, the research context, and certain environmental characteristics. Overall, our results provide the necessary nuance to discerning the consequential effects of SF.

The Sequential Pattern of Competitive Rivalry in the Global Smartphone Industry

Tung-Shan Liao, Yuan Ze University

The purpose of this study is set to investigate the sequential pattern of competitive rivalry in emerging industries. Taking the smartphone industry as the target sector, this paper assesses the relationship of action sequences with firm performance. We build up panel data by extending the “matched-pair” method to include five leading smartphone manufacturers with a total global market share of around 75%. These manufacturers are Apple, HTC, Nokia, RIM, and Samsung. The empirical results are expected to indicate that individual firms’ competitive actions have an actual focus on how they manage and expand the market. This will be viewed as a major feature of the rivalry in emerging industries.

Which, What, and Under What Circumstances?: Pioneer Firm Defenses against Imitation

Bernadine Dykes, University of Delaware

The first mover advantage literature theorizes that pioneer firms lose their early entrant advantages as the amount of imitation from late entrants increases (Lieberman & Montgomery, 1988). I modify and extend this understanding by specifying how pioneer firms protect their superior performance from imitating late entrants based on which pioneer firm is being imitated and what pioneer behavior is being imitated. I also theorize that under certain circumstances—namely environmental uncertainty and industry growth—the imitation-pioneer performance relationship is reshaped. I discuss the implications of my propositions for researchers and practitioners.

SESSION 78
INTERNATIONAL CORPORATE STRATEGY

TRACK F
Date Tuesday, Oct 1
Time 17:15 – 18:30

Paper
Room
Magnolia Room

Session Chair Gabriel R G Benito, BI Norwegian Business School

Cross Border Acquisition Pacing and the Synchronization Trap

Yinuo Tang, University of Pittsburgh
Weilei Shi, City University of New York
John Prescott, University of Pittsburgh

Serial cross-border acquirers from emerging economies operate in a context where their institutional environment is in a state of transition while their acquisition targets are often located in developed countries. We ask how these firms should pace their cross-border acquisitions to enhance performance. Based on time compression economies, we hypothesize that cross-border acquisition pacing has a positive effect on performance subject to a diminishing return effect. We further hypothesize that a temporal fit between cross-border acquisition pacing and the pace of institutional distance change between the acquirer’s and target’s countries creates a synchronization trap—a potential organizational pathology. A sample of 117 BRIC country firms undertaking 575 acquisitions from 2001-2011 in G7 countries, support for our hypotheses.

Ownership, Internationalization and Performance

Gabriel R G Benito, BI Norwegian Business School
Asmund Rygh, BI Norwegian Business School
Randi Lunnan, BI Norwegian Business School

The relationship between internationalization and performance (I/P-relationship) has been characterized as one of the “big questions” of corporate strategy in a globalized world. The attention seems obvious. If companies cannot expect a positive pay-off from expanding internationally, why would they and their owners want to pursue international business opportunities? Yet, the results of three decades of research are inconclusive; no strong and consistent pattern emerges. One reason may be lack of attention to governance issues. We examine the role ownership potentially plays both as a determinant of internationalization decisions made by companies and as a moderator of the I/P-relationship. Specifically, we consider three distinct effects of ownership: Direct effects (i) on performance and (ii) on internationalization; and (iii) a moderating effect on the I/P-relationship.
Slack Resources and MNE Subsidiary Performance
Yong Li, State University of New York-Buffalo
Saehwa Hong, State University of New York-Buffalo
This study examines the relationship between slack resources and performance at the MNE subsidiary level. Preliminary empirical analysis of data on MNEs’ subsidiaries in Korea during 2006-2008 shows that both available slack and potential slack of subsidiaries are positively related to subsidiary performance. Furthermore, the analysis indicates that subsidiary technological capability strengthens the positive effect of subsidiary slack resources on subsidiary performance. This study extends research that has focused on the ownership advantages of MNE parent firms and contributes to the literature on subsidiary performance.

Subsidiary Level Determinants of Reverse Knowledge Transfer in Emerging Markets Multinationals
Smitha Nair, University of Sheffield
Kamel Mellahi, University of Warwick
Mehmet Demirbag, University of Sheffield
We examine the effects of subsidiary level factors on reverse knowledge transfer (RKT) in emerging market multinationals (EM-MNEs). We formulate six hypotheses and test them using firm level data from 101 Indian multinationals. Our results indicate that subsidiaries that perform the role of specialised contributors contribute more towards RKT than subsidiaries that perform the role of world mandate or local implemenetor, and the higher the competitive index of the host country the greater the level of RKT. Our results also show that higher levels of collaboration between the subsidiary and the parent facilitate RKT and this effect is more prominent in high technology and knowledge intensive industries.

SESSION 185
STRATEGIES FOR EMERGING MARKETS
TRACK G
Date Tuesday, Oct 1
Time 17:15 – 18:30 h
Common Ground
Room Chestnut Room
Facilitator Elizabeth Rose, University of Otago

A Value Co-Creation Approach to Global Strategy and Building Sustainable Advantage
Melissa Akaka, University of Denver
Vijaya Narapareddy, University of Denver
This research applies a value co-creation approach to explore the sustainable advantage of multinational enterprises (MNEs) in global markets through a collaborative, rather than competitive, lens. A case study method is used to explore the sustainable advantage of a social MNE, which can help to develop a stronger theoretical framework for connecting MNE success with social sustainability. The findings of this case study reveal that sustainable collaborative advantage at a global level is driven by a MNE’s ability to collaborate at local and national levels, and is grounded in its ability to contribute to the value-creation processes of individual customers. These results provide insights to the importance of collaboration in global markets and the role of MNEs in building both corporate (e.g., MNE) and social sustainability.

Does Business Group Heterogeneity Effect its Internationalization? Evidence from India
Saptarshi Purkayastha, Indian Institute of Management-Kozhikode
Vikas Kumar, University of Sydney
Jane Lu, University of Melbourne
Business groups constitute a dominant organizational form in many Asian markets, and many of these groups expand operations into international markets. Previous studies ignore the heterogeneity in business groups’ ability to manage internationalization, based on their resources and capabilities. The present study builds on existing research to examine heterogeneity among business groups in terms of specific resources and capabilities that influence internationalization. In particular, this article characterizes business group heterogeneity by product diversification, and ownership, because these factors should moderate the relationship between internationalization and performance. Taking a sample of 107 Indian business groups for a period of 5 years (2004-2008), the study finds that at high levels of internationalization, larger, less diversified groups should enjoy superior performance, and ownership groups proxied by the extent of shareholding should exert differential impacts on group performance.

Institutions, International Organizations, and Sustainable Growth in Merging Economies: Rationalization and Transfer of Norms
Kathleen Yi Jia Low, WU-Vienna
Jonathan Doh, Villanova University
James Robins, WU-Vienna
Institutional context has been a central concept in research on the strategies of MNEs in emerging markets (Brouthers, 2001; Meyer et al., 2009). Much of the research has followed North (1990) in treating institutional context as a given constraint under which foreign organizations operate. Recent work by Cantwell, Dunning and Lundan (2009) has departed from North, arguing that institutions and MNEs co-evolve and MNEs can introduce new institutional arrangements through business innovations. In this paper, we build on the approach of Cantwell et al. (2010) to explore how private, governmental, and nonprofit international organizations can promote institutional change and economic growth in emerging economies. Our approach has important implications for emerging economy strategies of MNEs and public policies for sustainable economic growth.

MNC Ownership Performance: Evidence from EU Subsidiary Panel Study in China
Huifen Cai, University of Huddersfield
This paper adopts a multi-theoretic approach to investigate a phenomenon previously unexplored in extant literature, namely the differential impact of foreign resource, ownership type and host institutions on its performance in China, using newly available official data on 329 wholly owned subsidiary (WOS) and 351 Joint Venture (JV) EU manufacturing subsidiaries over a 10-year period. A conceptual framework is developed that integrates the Resource-based theory, Agency theory, and Institutional theory of international business strategy, reflecting EU firm FDI ownership strategic choices (between JV and WOS). The results showed that asset turnover, asset tangibility, and EU JV local collectives (COE), legal entities (LPS), private enterprises (POE) firms, WOS and JV show an insignificant relationship with performance.

Subsidiaries of Multinational Semiconductor Design Companies: The Case of India
Subramanyam Raghunath, Indian Institute of Management - Bangalore
Sathya Prasad, Intel Corporation
In the semiconductor industry, there is constant pressure to make products faster, better and cheaper all the time. In such a highly competitive environment, many semiconductor foreign-owned MNCs have chosen to set up semiconductor design centers in India. Based on an exploratory study of fifteen subsidiaries in semiconductor design representing approximately sixty six percent of MNC presence in that industry space, the authors studied the rationale behind setting up semiconductor design centers in India and the contribution made by Indian subsidiaries in terms of value added services to the parent MNC, its other subsidiaries and the industry ecosystem. The aim was also to investigate the extent to which these subsidiaries function as centers of excellence within those MNCs.
Technology Catch-Up by Developing Countries: Mature versus Emerging Technologies
Pooja Thakur, Virginia Tech
Donald Hatfield, Virginia Tech
Shantala Samant, Virginia Tech

Firms from developing countries when entering the international market place are already behind firms from developed countries—an issue examined by the international catching up literature. But how are these developing country firms able to survive and compete? Drawing from extant literature on international institutional theory and research on technology management we argue that the type of technology—mature or emerging—needs to be explored in attempts to understand this competition. We propose that developing countries have begun to try to compete on technological innovations. Furthermore, because the governments of these developing countries are making investments to develop their human capital, these centralized investments foster catching up in mature technologies, but not in emerging technologies. We empirically test these arguments using NBER patent data.

SESSION 116
SUSTAINABLE ADAPTATION IN THE 21ST CENTURY

TRACK H
Date Tuesday, Oct 1
Time 17:15 – 18:30 h
Common Ground Walnut Room
Facilitator Steven Floyd, University of Massachusetts-Amherst

An Examination of the Behavioural Mechanism Underlying Attention Shifts in Adaptive Aspirations
Songcui Hu, University of Arizona
Zi-Lin He, Tilburg University
Daniela Blettner, Simon Fraser University
Richard Bettis, University of North Carolina-Chapel Hill

According to the Behavioral Theory of the Firm, organizations adapt their aspirations based on three performance indicators: historical aspiration level, historical performance, and the performance of comparable others. While our understanding of the aspiration adaptations has improved greatly over the years, we lack a deep understanding about situations when there are conflicting performance indicators. Therefore, we conduct a study based on data from the German magazine industry (1972-2010) examining attention shifts among performance indicators contingent on attainment levels. We also include moderators such as organizational slack, performance-related accountability, and prominence of the organization on these attention shifts in adaptive aspirations. The findings contribute to our understanding of the behavioral processes underlying adaptive aspirations.

Crafting and Implementing a Sustainable Strategy: Does Negotiation Capability Matter?
Barbara Aquilani, Tuscia University of Viterbo
Cerrado Gatti, Sapienza University of Rome
Gianluca Vagnani, University of Rome
Loredana Volpe, University of Rome

Sustainability is an increasingly important issue in the strategic decision-making process, and in strategy implementation, both adding complexity and increasing the number of conflicting demands and of trade-offs management has to cope with at a strategic level. In this scenario, negotiation capability seems to become really strategic, because of its ability to cope with conflicts and to look at trade-offs not as axioms, but as situations which can eventually be solved changing/adding parts, interests and issues, and reshaping the whole process. Furthermore, when interdependences occur, the negotiation capability can make the difference between successful firms which manage uncertainty with flexibility and organizations which remain entrapped in some impasse, failing to acquire the best resource at the right time or gaining a competitive advantage before their competitors.

How Stable is Stable? An Empirical Test of the Miles and Snow Model
Andreas Schifferholz, KIT-Karlsruhe Institute of Technology
Kerstin Fehre, KIT - Karlsruhe Institute of Technology
Hagen Lindstädt, KIT - Karlsruhe Institute of Technology

In their widely noticed work about organizational strategy Miles and Snow (1978) argue that their three main strategic types are stable over time and that these types are equally viable across different environmental contexts. Our study is testing this hypothesis by analyzing a sample of 1,304 letters to the shareholders of German HDAX companies between 2002 and 2011. Based on a computer-aided text analysis we deploy a word count approach to identify the strategic type of the companies based on the importance of different strategic themes in the letter. Our first analyses show short-term stability of the strategic type as well as little evidence of influence of environmental factors such as industry or fiscal year (macroeconomic effects) on companies’ choice of the strategic type.

Organizational Adaptation to Environmental Uncertainty: The Role of Firm History and Time
Achim Schmitt, EHL
Patricia Klärner, University of Munich

Organizational adaptation to changing environments represents a critical challenge for today’s managers. Despite the increasing recurrence of changes in multiple industries, research on the timing of organizational adaptation activities to situations of environmental uncertainty still remains scarce. This paper therefore develops a conceptual model for an organization’s adaptation capacity to repeated external uncertainty. Using an entrainment lens, we differentiate between two dimensions of the timing of organizational adaptation—phase and pace entrainment—and derive several propositions on the role of organizational conditions and organizational learning in adaptation. We respond to prior calls to adopt a time lens when studying organizational adaptation and contribute to organizational change research by suggesting a framework for examining adaptation to dynamic environments from a more fine-grained perspective than previous research.

Social Discourse as a Strategy Process in the 21st Century US Newspaper Industry
Jun Ho Lee, University of Illinois-Urbana Champaign

This paper examines how discursive practices pertaining to the newspaper industry are creating a new strategy in response to the emergence of digital media. Specifically, it explores how print newspapers and nascent online start-ups have mobilized various discourses in the strategy process as a result of the technological discontinuity caused by the Internet, which has brought a high-level of uncertainty to the newspaper industry. The process through which this new strategy is generated by the interactions of multiple discourses is explained based on content analysis of texts issued by trade associations and newspapers from 1995 to 2005. Moreover, this study shows that these social discourses not only reflect the change in the industry, but also facilitate the process by which various actors in the industry are embracing new ideas and reifying new strategies.

Towards an Integrative Theory of Strategy Process: Forces for Dynamic Sustainability
Mark Kriger, BI Norwegian Business School

This paper integrates a diverse set of theories of strategy and strategy process to understand the means by which firms can create sustainability. The proposed integration consists of: identification of seven nested levels of strategic operation; a set of dynamic strategic co-alignments that strategists continuously must balance; and a proposed integrative framework of strategic process. The paper then grounds the integrative framework by applying it to selected portions of the strategic event
Conversational sequence among team members and segmented groups of research contribute to our understanding of research to create a basis for understanding what the aggregated and operationalized strategies and performance continue to be contradictory. Related to the conceptualizations of research examining the relationship between strategic planning and firm performance, our analysis reveals that despite the important nature of the firms involved, we must heed the heterogeneity in the decision conversation, the team's decision-making conversation, and the influence on the presence of corporate programs.

### SESSION 204
**STRATEGIC DECISION-MAKING**

<table>
<thead>
<tr>
<th>TRACK H, TRACK P</th>
<th>Date</th>
<th>Time</th>
<th>Paper</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tuesday, Oct 1</td>
<td>17:15 – 18:30 h</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Session Chair</td>
<td>Xavier Castaner, University of Lausanne</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Decision Making as Verbal Exchange: A Study of the Conversational Sequence among Team Members**

Laura B. Cardinal, Candace TenBrink, and Xavier Castaner

Our proposed study conceptualizes the verbal exchange among decision makers as a sequence of internal "actions" that influences a variety of strategic decision-making outcomes. Using audio recordings of 16 MBA student teams that made decisions in a new product development simulation, we use conversation analysis to categorize each verbal utterance made by members of the decision making team. We then use sequence analysis to capture various structural properties and phases within each team's decision conversation. We predict that the structural properties of the team's decision-making conversation are influenced by team demographic heterogeneity, team cohesion, and group maintenance, and agreement seeking behaviors. We also predict that the decision conversation influences strategic consensus, decision comprehensiveness, and decision quality.

**Strategic Outsourcing Contract Choice: What Underlies Heterogeneity in Manager's Decision Models**

Candace TenBrink, University of Houston

Laura B. Cardinal, University of Houston

Despite decades of research on the value of strategic planning for firms, research examining the relationship between strategic planning and firm performance has remained contradictory. Related, the conceptualizations and operationalizations of strategic planning and performance continue to lack consistency. Our intent is to synthesize four decades of empirical research to create a basis for understanding what the aggregated and segmented groups of research contribute to our understanding and where opportunities for further research may be. As part of our synthesis, we present several clusters of research—formality of planning and planning in small firms, start-ups, and emerging markets—to provide a deeper understanding of the conceptual limits while making sense of the contextual milieu of strategic planning.

### SESSION 136
**THE ROLE OF KNOWLEDGE SOURCES IN OPEN INNOVATION**

**Strategic Planning and Performance: A Synthesis of Decades of Research**

Michael Boppel, University of St. Gallen

Drawing on research on complexity and coordination, this study examines the incidence and effectiveness of corporate programs. We argue that strategic complexity, organizational complexity, and CEO limitations influence the decision to complement the existing line organization with corporate programs and its effects on performance. Based on a longitudinal analysis of corporate programs in the European financial service sector over a 10-year period, we find support that these three dimensions influence the presence of corporate programs. This analysis of corporate programs informs research on strategy execution and coordination in multi-unit firms.

**External Innovation Search and Collaborative Innovation in an Emerging Market: Are They Complements or Substitutes?**

Haiyang Li, Rice University

Jie Wu, University of Macau

In this study we propose that external innovation search and collaborative innovation function as substitutes in firms' product innovation in emerging markets which are characterized with a lack of market-supporting institutions and high search cost. This substitute effect will become weaker as market-supporting institutions are better developed and search costs are reduced. With a sample of manufacturing firms in China, we find empirical support for these arguments. These findings demonstrate that external innovation search and collaborative innovation are two distinctive innovation choices and their roles in product innovation are constrained by institutional development in emerging markets.

**From Garage to Grand Prix: Ownership of Component Interdependencies and Knowledge Integration in Formula1**

Jan Hendrik Voss, Bocconi University

Charles Williams, Bocconi University

Contemporary product development is carried out in complex supply chains, with diverse, specialized knowledge combined across product component and firm boundaries. As a consequence, working across these boundaries is important for firms developing products in competitive environments. By studying product development in Formula 1 racing, this paper explores how differences in the extent to which firms own interdependencies among components and carry out search activities, may lead to differences in the changes firms make across component- and organizational boundaries. We argue that firms with different degrees of ownership of interdependencies among product components will build integrative capabilities embedded in different sorts of relationships. Moreover, we argue that differences in product development will be particularly salient for how firms react to search activities.
Innovation Performance and Organizational Learning in the Global Automotive Industry

Denise Dunlap, Northeastern University
Jose Geleilate, Florida International University
Rafael Goldszmidt, Getulio Vargas Foundation
Ronaldo Parente, Florida International University

Effective functioning of supply chains and organizational learning are hallmarks of firms that are better positioned to thrive in dynamic and global environments, while new product introductions are important contributors to performance. In this context, we propose a framework relating these concepts and empirically examine the impact of supply chain integration and organizational learning on the pace of innovation and its impact on firm performance. We found that organizational learning is moderated by supplier involvement, having a positive impact on the development of incremental and breakthrough innovations. Also, we found an inverse U-shape relation between the interaction of innovation with supplier involvement and performance, which means that there is an optimal level of innovation over which performance will decline with increments in innovation.

Tapping the Power of the Many: Innovation Camps as Mean for Creating Sustainable Innovation

Katharina Hoelzle, University of Potsdam

In times of a globally connected world and constantly changing market conditions, companies must find better ways how to fruitfully involve their stakeholders into their innovative efforts. Especially users’ need knowledge has been identified as fundamentally important for successful innovation and future preparedness. Nonetheless, companies find many hurdles and difficulties to access and integrate this knowledge. Taking advantage of the underlying principles of so-called unconferences, and combining them with a long-term live-and-work set-up, the Palomar5 innovation camp serves as an extreme experimental prototype for collaborative innovation. In this paper, we analyze this case as a methodology to enable and integrate highly motivated users, fostering the emergence of need knowledge, future issues and possible solutions. We present a framework for setting up and conducting innovation camps.

SESSION 137

NETWORKS AT DIFFERENT LEVELS AND INNOVATION

TRACK I, TRACK N

Date: Tuesday, Oct 1
Time: 17:15 – 18:30 h
Room: Int’l Ballroom A

Session Chair: Lisa Gaerber, Copenhagen Business School

Alliance Networks and Technological Dynamism

Jesse Shore, Boston University
N. Venkatraman, Boston University

Why has prior research on bridging ties in alliance networks produced contradictory conclusions? Many empirical studies of innovative industries show the primacy of clustering, while theory and other major studies have found positive associations between innovativeness and bridging ties. We study the evolution of alliance networks in 34 industries over the period 2000-2007. We employ stochastic actor-based models for network dynamics, estimated by Markov Chain Monte Carlo simulations, for our parameter estimates. We find that the more technologically dynamic an industry is, the more firms create bridging ties, but that even in highly dynamic industries, there is a strong tendency to create highly clustered ties as well. Our results contribute to the literature by providing a framework for resolving discrepancies between prior empirical studies.

Inter-Firm Networks, Intra-Firm Networks, and Firm Innovation

Martin C. Goossen, HEC-Paris

This study investigates how inter-firm and intra-firm networks of an organization jointly affect firm innovation. We argue that an inter-firm network of alliances shapes a firm’s opportunity to access external knowledge whereas an intra-firm inventor network forms the firm’s ability to diffuse and recombine this knowledge. The structure of an intra-firm network then determines the degree and speed by which novel knowledge diffuses among inventors within the firm. The positive effects of inter-firm alliances on innovation will be stronger for companies with a more cohesive intra-firm network. We test our hypotheses on a longitudinal dataset of forty medical device firms over a fifteen-year period. Our results contribute to current research on networks and innovation, absorptive capacity, and complementarity in alliances.

Is Less More: A Study of Network Position and Subunit Innovation

Lisa Gaerber, Copenhagen Business School
Anil Gupta, University of Maryland

In this paper we focus on the contingent effects of network centrality for subunit innovation in multinational firms (MNEs). We specifically argue that the value of a central network position for subunit innovation depends on the interplay of several factors, and that under certain conditions “less” in terms of the number of direct ties, and therefore centrality, is more. To make our arguments we focus on the interplay of a subunit’s centrality, alters’ centrality and the number of structural holes within a subunit’s network. We aim to demonstrate that subunits that are peripherally positioned may experience high levels of innovation if they are tied to central subunits within the network that are themselves not connected to each other.

The Effects of Corporate-Level R&D Policies and Laboratory-Level Collaborations on Laboratory R&D Performance

Naohiro Sauvada, Aoyama Gakuin University
Hiroshi Nakamura, Keio University
Kazuhiro Asakawa, Keio University

This study investigated the effect of laboratory-level internal collaborations and external academic collaborations. We also examined corporate-level early technology selection and open innovation policies. We investigated the effects of these factors on laboratory research and development performance at three different stages: basic research, applied research, and development. This study analyzed data from 243 Japanese laboratories. We found laboratory-level collaborations do not have a significant effect on basic research and an early technology selection policy has a negative effect. However, the interaction between them has a positive. Regarding applied research, internal collaboration has a positive effect. Although external academic collaboration does not have a significant effect, the interaction with corporate-level policies has a significant effect. Neither Laboratory-level collaborations nor corporate-level policies have significant effects on development.
Recruitment, Resistance to Change, and Obsolescence
Amit Jain, National University of Singapore

I propose that organizations may develop new capabilities and avert technological obsolescence through the accumulation of incremental changes. The recruitment of scientists is one form of incremental change that occurs continuously in biotechnology firms. Using data on mobility events occurring over 38 years in the U.S. and Canadian Biotechnology industry, I show that inbound mobility lowers resistance to change rather than result in conformity, leads to the creation of innovations that make a greater impact on an organization’s technological community, and enables major changes to organizational knowledge and capabilities. Further, I investigate the whether older organizations that are more resistant to technological change benefit more from inbound mobility, to test the thesis that it helps to avert obsolescence.

The Influence of Middle Management Role Characteristics on Middle Managers’ Commitment to Change
Felix Reimann, WHU-Otto Beisheim School of Management
Matthias Ehrrott, WHU-Otto Beisheim School of Management
Sonja Vorwerk-Handing, WHU-Otto Beisheim School of Management
Lutz Kaufmann, WHU-Otto Beisheim School of Management

The importance of middle managers for the implementation of organizational change is widely acknowledged, but the factors that promote or hinder middle managers’ support of change projects are still not well understood. We use role theory to argue that characteristics of middle managers’ role, namely self-determination, received pressure, and career perspectives, are instrumental in raising or lowering middle managers’ motivation for change. The developed hypotheses will be tested through a large-scale survey amongst middle and top managers of a multi-national consumer goods firm. To account for potential cultural influences, results will be compared between the U.S. and European parts of the organization.

Value Networks, Co-Creation Of Knowledge, And Development Of Dynamic Capabilities- Insights From an Organizational Learning Perspective
Birgit Daxboeck, Otto von Guericke University Magdeburg
Sven M. Laudien, Otto von Guericke University Magdeburg

How can individual organizational learning initiate the process of joint value creation in service related networks? We examine this question by inspecting specific capabilities that are a precondition for the effective exchange of services with reference to the concepts of service-dominant logic (Vargo and Lusch, 2004) and dynamic capabilities (Teece, Pisano and Shuen, 1997). In our paper we show that co-creation of knowledge is an essential precondition for value co-creation and that organizational learning acts as a linking pin between knowledge co-creation and the development of dynamic capabilities.

Firm IPOS and Government Ownership and Signaling: The Role of Family and Directorship Association
Asda Chintakananda, Nanyang Technological University
Eugene Kang, Nanyang Technological University
Shih-Chi Chiu, Nanyang Technological University

Using agency and signaling theories, we examine the context of IPOS with government ownership and how other types of ownerships and directorship characteristics interact with government ownership to further influence the IPO performance of these firms. Using novel data of 264 Singaporean firms, we found that government ownership reduces firms’ IPO performance (i.e., increased underpricing). However, this negative relationship is accentuated by family ownership, but attenuated by venture capital ownership, family directorship, and independent outside directorship. The results suggest that different types of ownerships and directorships create varying signals to investors, which subsequently influences performance consequence of IPO firms.

Foreign IPOS and Institutional Investors: The Signaling Role of a CEO’s Degree
Dane Blevins, University of Texas-Dallas
Eric WK Tsang, University of Texas-Dallas

Going public is a pivotal stage in an organization’s life. However, attracting institutional investors is no easy task for newer organizations. We argue that the chief executive officer’s (CEO) background can be viewed as a potential signal of quality during an initial public offering (IPO), and specifically that the CEO’s educational background serves as an important signal to institutional investors. Utilizing signaling theory, and drawing from social capital and social identity theories, we hypothesize that CEOs with U.S. degrees and CEOs with prestigious degrees will attract more institutional investors.

Influence of National Culture on IPO Activity
Deepika R Gupta, Indian Institute of Management-Bangalore
Rejie Pallathitha, Indian Institute of Management-Bangalore
Rajaram Veliyath, Kennesaw State University

This study examines the effects of national culture on IPO activities at domestic and global levels. Initial public offerings (IPOs) provide an attractive context to research governance and culture related issues because they manifest high levels of information asymmetry, adverse selection and moral hazard (Certo et al, 2009). While domestic IPO activities depend on the culture of a particular country, global IPO activities vary with the cultural distance between the home and host.
countries. This study examines 6,302 IPOs that occurred between 2003 to 2007 in 46 countries, with a view to understand the intricacies of these relationships. The results show that countries with high power distance, masculinity, long term orientation and collectivism to be significantly associated with higher levels of domestic IPO activities.

**Pay Dispersion and IPO-firm Performance: Motivating the Individuals Exploiting the Risky Opportunities**
Richard Arend, University of Missouri
Pankaj Patel, Ball State University

We explore the effects of pay dispersion, founder-executive participation, and risk exposure, as well as their interactions, on IPO-firm performance. Drawing upon data from a final sample of 379 IPO-firms representing 2,125 firm-year observations between 1995 and 2011, we find significant benefits accrue to IPO-firms with higher pay dispersion, especially when founder-executive participation and risk exposure are also high. Besides implications for managers and investors, our results contribute to 'completing' the nexus model of entrepreneurial activity by adding the impact of the motivation of the efforts of the individuals in their pursuits of risky opportunities.

**SESSION 98**
**HOW HUMAN CAPITAL AFFECTS PERFORMANCE**

<table>
<thead>
<tr>
<th>TRACK L</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Tuesday, Oct 1</td>
<td>17:15 – 18:30 h</td>
<td>Int'l Ballroom C</td>
</tr>
</tbody>
</table>

**Session Co-Chairs**
Anthony Nyberg, University of South Carolina

**A Multi-Component Conceptualization of the Human Capital Resource**
Mark Maltarich, Saint Ambrose University
Greg Reilly, University of Connecticut
Robert Ployhart, University of South Carolina
Anthony Nyberg, University of South Carolina

The firm’s human capital resource (HCR) is more complex than previously described in terms of quantity and quality, and further theory development is needed to advance the field. We identify three additional components of the HCR - configuration, complementarity, and convergence. The need for these additional dimensions results from the recognition that the value from this collection of capital extends beyond the quality of each person (even when aggregated) and must also be defined according to their relationships to each other. A more complete description of the HCR components will foster a greater understanding of the unique relationships between the HCR and its causes and consequences.

**Human Capital Investments in Recessions**
Eirik Sjaholm Knudsen, Norwegian School of Economics
Lasse Lien, Norwegian School of Economics

We examine the relationship between firms’ reliance on firm specific knowledge (FSK), and their human capital investments during a recession. We developed hypotheses based on resource base theory and the business cycle literature in macroeconomics, and test these hypotheses on a dataset of Norwegian firms in the recent recession. We find that during a recession, reliance on FSK makes firms more inclined to i) keep employees with high FSK and lay off employees with low FSK, ii) increase training of employees with high FSK, and iii) increase hiring of employees with potential of accumulating FSK. These results contribute to the literature on the strategic importance of human capital by highlighting how recessions affect firms’ human capital investments differently depending on their reliance on FSK.

**Revisiting the Human Capital-Performance Link: A Cross-Level Analysis of Resource Complementarities**
Alia Crocker, University of Massachusetts-Amherst
Rory Eckardt, University of Massachusetts-Amherst

The value and interdependency of complementary resources have been theorized to provide competitive advantages for firms. Thus, complementary human capital at one level may impact the performance of human capital at another level in the firm. Through a multi-level empirical analysis, we show that the relationship between individual human capital and individual performance is impacted by higher unit-level complementary human capital resources. This relationship is found to be positive across levels despite contradictory findings at the lower within-level analysis. As such, this paper contributes to the understanding of how complementary individual and unit-level human capital resources relate to performance outcomes. A primary implication from our findings is that complementary unit-level human capital plays an important role in performance of the individual-level human capital.

**The Effect of Human Capital Investment on Firm Performance: The Context of the Korean Financial Crisis**
Clinton Chadwick, University of Kansas
Hilary Schooemer, University of Kansas
Dongni Wan, University of Kansas

In pursuit of a deeper understanding of human capital and firm performance link, we examine an important and heretofore overlooked contingency, economic crisis. Utilizing longitudinal data from 490 manufacturing firms in South Korea before, during, and after the Asian Financial Crisis, our proposed study investigates how firms’ human capital investment decisions during the financial crisis affect their chance of survival during the crisis and their post-crisis financial performance.

**SESSION 43**
**INSTITUTIONS AND COOPERATIVE COMMUNITIES**

<table>
<thead>
<tr>
<th>TRACK N</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Tuesday, Oct 1</td>
<td>17:15 – 18:30 h</td>
<td>Sycamore Room</td>
</tr>
</tbody>
</table>

**Session Chair**
Peter Smith Ring, Loyola Marymount University

**Exploring Commercial Viability of Cooperative Strategy of Forest Owners in Latvia**
Andrejs Cirjevskis, RISEBA

The aim of the paper is to investigate the commercial viability of forest owners’ cooperative strategy in forest sector in Latvia. Latvia is one of the rare countries in European Union where forest owners’ cooperation (FOC) is not developed. Firstly, the paper investigated theoretical and practical application of such concept of commercial viability of a strategic choice as a SFA: suitability, feasibility and acceptability. Secondly, having used primary and secondary data the antecedents and consequences of cooperative arrangements which facilitate the emergence of FOC in Latvia have been explored. Thirdly, to confirm or disprove commercial viability of FOC strategic choice, the Quantitative Strategic Planning Matrix has been applied and the results were discussed. The conclusion is that a cooperative strategy is the viable strategic choice.

**Organization Design and Strategic Action in Collaborative Communities**
Vegard Kolbjørnsrud, BI Norwegian School of Management

In this study I explore the role of deliberate organization design and strategic action in collaborative communities. It is an exploratory multiple-case study of four communities within enterprise IT, sustainable consumption, drug discovery, and digital marketing and communication. A community’s design is expressed in its institutional framework.
and infrastructure. It is enacted through the actions and practices of community participants. Preliminary findings include empirical examples of design elements across case studies, platform-module structure in organization design, and dynamic patterns of path dependence and path creation in community action-structure interaction. Implications for research, business, and practitioners are outlined.

**Public/Local Capabilities, Institutional Determinants and Public-Private Partnerships**

Sandro Cabral, Federal University of Bahia  
Ilze Kivleniece, HEC-Paris  
Sergio Lazzarini, Inspir Institute of Education and Research  
Bertrand Quelin, HEC-Paris

Public-private partnerships (PPPs) are based on three revenue mechanisms: subsidies, essentially public; revenues from users; and a mix of the two previous mechanisms. However, none of these mechanisms reduces overall risk, particularly the risk associated with the demand. This paper analyses the links between PPP governance, risks attached to the market and the business model. It examines the potential causality between funding mechanisms and organizational forms based on an empirical work using a database covering more than 800 cases, 14 industries and 60 countries.

The first results emphasize the importance of the link between funding mechanisms, type of financial partners’ commitment and credibility of the public actor. This study investigates the key determinants of the sustainability of these public-private collaborations.

**Rethinking the Impact of Scale on Industry Self-Regulation for Sustainability**

Frances Bowen, Queen Mary, University of London  
Natalie Slawinski, Memorial University  
Tima Bansal, University of Western Ontario

This inductive study of collective actions within two alliances in the Alberta oil sands industry examines how the scale of industry initiatives influences the effectiveness of these initiatives in addressing environmental and social issues. Drawing on the ecology literature, we explore dimensions of scale that have been neglected in the industry self-regulation literature, which typically focuses on dimensions such as the number of companies involved and firm size. Our preliminary findings suggest that there are a number of dimensions of scale, such as the managerial levels involved and the timescales, which may be important for understanding the effectiveness of industry self-regulation. Our findings contribute to understanding why industry self-regulation schemes have often failed to deliver sustainability benefits.

**SESSION 52  
HELP! BAD CEOS**

**Ex-Military CEOs and the Likelihood of Financial Fraud and Backdating in Firms**

Irmela Koch, University Mannheim  
Georg Wernicke, University of Mannheim

We draw on Hambrick and Masons’ (1984) upper echelon theory and the “Fraud Triangle” and investigate whether CEOs who served in the military are less likely to engage in corporate wrongdoings in the U.S. We hypothesize that former members of the military are comparatively more obedient to rules and regulations. We test our hypotheses in two distinctive settings. First, we use accounting and auditing enforcement releases (AAER) issued by the U.S. Securities and Exchange Commission (SEC) from 1992 till today. Second, we make use of a data set of so called “lucky grants” for the years 1996 to 2005. Our results indicate that firms headed by ex-military CEOs have a lower propensity to be involved in financial fraud and option backdating.

**Overcoming the Stigmatization of Dismissal: The Role of Executive Capital in the Re-Employment of Dismissed CEOs**

Donald Schepker, University of South Carolina  
Vincent Barker, University of Kansas

CEO dismissal creates negative career repercussions for executives which are affected by the circumstances surrounding dismissal. However, some executives do manage to regain executive re-employment. This study argues that dismissed executives may use human, reputational, and social capital as a buffer from stigmatization by signaling relevant knowledge and skills employers value. This study examines the likelihood of re-employment as an executive in a publicly traded firm for 88 dismissed CEOs. Analyses using Cox proportional hazards models indicate that executives are less likely to regain employment following dismissal for violations of fiduciary duty or personal conduct. Re-employment is more likely when executives have experience with prestigious organizations, won an award as top CEO in their industry, have less negative publicity, and reside in a major city.

**Skinning the Cat with a New Knife: How CEOs Continue to Manipulate Option Strike Price following the Backdating Scandal**

Timothy Quigley, University of Georgia  
Andrew Ward, Lehigh University

Since the options backdating scandal of the mid-2000’s, and new reporting rules embedded in the Sarbanes-Oxley Act (2002), there has been a decline, but not an elimination, of the size of abnormal returns in the period surrounding the granting of stock options to CEOs. We contend that in this period, managerial and shareholder interests are temporarily decoupled and CEOs engage in impression management techniques to manipulate the share price downward, releasing negative news prior to the granting of options and holding positive news until after the grant date. We further contend that that this tendency is exacerbated under conditions of greater managerial discretion. These hypotheses will be tested in a sample of CEO stock option grants between 2010 and 2012.

**The “Curse” of Competition: Top Management Team Pay Dispersion and Securities Class Action Lawsuits**

Wei Shi, Rice University  
Gerry Sanders, University of Texas - San Antonio

Tournament theory suggests that pay disparity promotes intra-team competition that can positively affect firm performance. In this study, we argue that intense competition arising from large pay disparity can also have the unintended consequence of inducing top managers to improve firm performance via illicit and unethical means. Results from analyzing a large sample of public firms indicate that vertical pay dispersion between CEOs and non-CEO executives and horizontal pay dispersion among non-CEO executives bear positive relationships with firms’ likelihood of securities class action lawsuits. In addition, our findings show that the relationship between vertical and horizontal pay dispersion and likelihood of securities class action lawsuits is attenuated by high environmental dynamism but exacerbated by high industry concentration.
WE CAN WORK IT OUT: TMT DECISION MAKING

TRACK O

**Paper**

Session Chair  Michael Mannor, University of Notre Dame

---

Enhancing Perceived Managerial Discretion in Strategy Implementation through Ability and Role Given Structure and Context

Rebekka Skubin, University of Hannover

Perceived managerial discretion impacts firm performance by decisively guiding managers’ actions. We investigate the combined impact of individual, organizational and environmental determinants of perceived managerial discretion in strategy implementation. Analyzing a broad sample of strategy practitioners we find that individual ability and an active role in the strategy process counterbalance the negative impact of organizations’ structural complexity as well as public sector context on perceived managerial discretion in strategy implementation.

Organizational Culture, Managerial Attention and Cognitive Biases in Strategic Decision Making

Vedrana Iez, Norwegian Business School
Ragnhild Kvalshaugen, BI Norwegian Business School
Ingunn Myrtevit, BI Norwegian Business School

This study focuses on the organizational and TMT culture, and how they affect managerial attention and cognitive biases in strategic decision making processes. While the upper echelons theory mostly focuses on TMT demographics and its effect on strategic choices, this study looks at the process and mechanisms that possibly affect the shift in managerial attention. Our findings indicate that the hierarchical/clan culture affects the TMT attention and the strategic change by framing strategic goals and excluding other alternatives. In addition, the hierarchical/clan culture affects the way executives work and how they organize their time which may prevent the shift to a more entrepreneurial focus. Further, the symmetric distribution of information may affect the TMT effectiveness and may have negative effects on firm performance.

Peeking Inside the “Black Box” of Top Executive Decision-Making: A Mediated Model of Devil’s Advocacy

Michael Mannor, University of Notre Dame
Viva Bartkus, University of Notre Dame

Our paper examines the “black box” of top management team (TMT) decision-making process and its impact on strategic outcomes. Building on micro-level findings regarding team decision processes, we propose that the impact of devil’s advocacy on strategic divergence will be mediated by two factors: breadth of information search and the consideration of minority opinions. We test our hypotheses in a sample of 175 decision processes utilized by 94 top executives in medium to large organizations. Utilizing top executive interviews and TMT surveys, our data provides partial support for these hypotheses. Although we found evidence of mediation from devil’s advocacy to strategic divergence through the consideration of minority opinions, to our surprise we did not find any support for mediation through the breadth of information search.

The Agenda of Chief Executives in Latin America: Understood Priorities vs. Real Work

Alejandro Carrera, Austral University
Adrian Caldart, AESE School of Management and Business
Magdalena Cornejo, Austral University

Using a unique database of Chief Executives based in Latin America, we studied what activities do Chief Executives deem conceptually important as part of their responsibilities (“Understood Priorities”) and to which of those they actually devote real work (“Actual Priorities”). Three important findings emerged. First, the “ranking” of Actual Priorities was quite different from the one of Understood Priorities, revealing a substantial gap between the way Chief Executives conceptualize their work and the way they execute it. Second, Chief Executives of every level of experience prioritize activities characterized for requiring a regular focus and producing a perceptible short term impact. Third, the abovementioned results were consistent across sub-samples of Chief Executives of different levels of experience on the post.

HOW DOES DECISION MAKING MATTER IN ORGANIZATIONS?

**Paper**

Session Chair  Gieri Hinnen, University of St. Gallen

Centralization, Learning and Launch: The Effects of Organizational Structure and Experience on Global Product Strategy

Alex Wilson, Duke University
John Joseph, Duke University
Ronald Klingebiel, University of Warwick

How do organizational structure and experience affect how firms access the global market? In this study, we examine global product launch patterns in a dataset consisting of mobile devices in the global mobile device industry from 2004-2009 and observe the effects that organizational structure and experience have on firm strategy. Initial results reveal that centralization of decision-making authority and increased global launch experience increases likelihood of sequential launch and decentralized firms realize the greatest effect of additional experience, suggesting that organizational learning from experience is highly context-specific and the locus of decision-making in an organization is particularly important when facing relatively novel decisions.

Decision-making and Business Model: Effectuation Perspective

Rakesh Pati, Indian Institute of Management - Kozhikode
Nandakumar Mankavil Kovi Veettil, Indian Institute of Management - Kozhikode

This paper highlights that the behavioral decision-making approach i.e. effectual and causal, influence the design of business model i.e. innovation and efficiency. Based on the data from 247 SMEs in India, we found that effectual decision-making, except affordable loss, have positive influence on business model innovation while causal decision-making have positive influence on business model efficiency. The finding contributes to the existing literature by identifying behavioral decision-making as important antecedents of business model designs. Furthermore, the study adds to limited empirical research on the SMEs of emerging economies.

The Efficiency of Simple Rules: Evidence from Heuristic Based Incentive Allocations in Self-Forming Scientific Teams

Reddi Kotha, Singapore Management University
Dan Lovallo, University of Sydney

In this study we find simple rules, i.e., heuristics explain a vast majority of how self-forming teams, containing members with heterogeneous experience and talent, split potential proceeds from their efforts. First we find that the main empirical regularity is a heuristic based incentive allocation. Next we ask does a heuristic based approach impose a cost or is it efficient? The specific context is a large technology transfer organization at a U.S. university with nearly $80 million per year in revenues. We show that the use of heuristics to allocate incentives is
muted when the inventors have had prior successful inventions, when team size increases, and when inventors have more successful publication records. Our results suggest a nuanced view wherein heuristics are prevalent and are not inefficient.

When Intuitions Collide in the Pursuit of Sustainability: Heuristics in Firms and their Dynamics
Gieri Hinnen, University of St. Gallen
Moritz Loock, University of St. Gallen
Heuristics are essential for adaptive behavior of individuals (Gigerenzer, Hertwig, & Pachur, 2011). In the light of sustainable change adaptive behavior is also of interest for firms. It appears that firms learn and make use of heuristics (Bingham & Eisenhardt, 2011). However, organizations are formed by groups of individuals and it is unclear how heuristics emerge within groups. Moreover, scholars lately highlight the existence of multiple and paradoxical rationalities within organizations (Smith & Lewis, 2011). How do multiple intuitions in groups affect our view on heuristics in firms? We theorize on heuristics in firms and their dynamics from a complexity theory lens. We develop a model that predicts four scenarios of what happens to heuristics, when intuitions collide: stabilizing, reinforcement, neutralization and evolution.

SESSION 105
SUSTAINING SUSTAINABILITY

<table>
<thead>
<tr>
<th>TRACK A&amp;B</th>
<th>Date</th>
<th>Tuesday, Oct 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Time</td>
<td>17:15 – 18:30 h</td>
</tr>
<tr>
<td></td>
<td>Room</td>
<td>Dogwood Room A</td>
</tr>
<tr>
<td>Session Chair</td>
<td>Thomas Powell, Oxford University</td>
<td></td>
</tr>
</tbody>
</table>

Organizational Resilience: A Review and Reconceptualization
Thomas Koslowski, University of Freiburg
Will Geoghegan, Syracuse University
Patricia Longstaff, Syracuse University
This paper examines the underspecified research area of organizational resilience as a promising complementary approach to sustainability. The paper conceptually contributes in three main areas; firstly it outlines the relevance of organizational resilience, specifically examining the construct proliferation that exists regarding the term in the strategic management field. Secondly, the paper advances a multidisciplinary typology of resilience, from which organizational resilience scholars can better understand the contextual phenomena according to levels of complexity and degrees of normativity. Finally, the paper seeks to build an organizational resilience framework that is idiosyncratic to a strategic management context. Thus, conceptually contextualizing relevant research in strategic management to the organizational resilience framework.

Resource Accumulation, Profit Persistence, and the Production Function of Competitive Advantage
Ingo Reinhardt, Simon-Kucher & Partners
Hung-Yao Liu, University of Amsterdam
Thomas Powell, Oxford University
How do resources produce profit persistence? If a firm is many-resourced, the situation is unclear: the growth processes of individual resources do not necessarily flow through to profit growth. We examine three “resource production functions” – substitutive, Cobb-Douglas, and complementary – and show how they mediate the relationship between resource accumulation and profit persistence. In an empirical study, we find that profit persistence depends on theoretical assumptions about resource accumulation and the production function by which resources interact. Using a novel statistical method based on copula theory, we find the standard assumption of Gaussian resource accumulation does not produce observed profit persistence for any production function. Hence, we conclude that firm resources do not grow in Gaussian increments.

Sustainability and Adaptation: Dealing with Environmental Discontinuities
Richard Reed, Cleveland State University
Susan Storrud-Barnes, Cleveland State University
At the heart of sustainability is the preservation of resources for use by future generations, and it is argued that firms can use sustainable development to generate a competitive advantage. Underpinning that perspective is an implicit assumption of long-term environmental stability that largely ignores the issue of change, particularly discontinuous change. In the context of sustainability-based competitive advantage, we build a model that explores environmental discontinuity as competence enhancing or competence destroying, and that addresses the effects of experience with change, absorptive capacity, resource dependence, slack resources, and organization inertia on firms’ ability to adapt to the change. We deduce that the effects from experience and absorptive capacity are positive, those from resource dependence and organization slack are mixed, while those from inertia are negative.

The Locus of Capabilities in Emerging Markets: Micro-Macro Resource Grafting by Leading Domestic Firms
Aline Gatinhon, INSEAD
Laurence Capron, INSEAD
How do firms develop capabilities in emerging markets? To answer this question, we study how domestic firms in Brazil overcome institutional imperfections in the labor market. Based on an inductive study of leader and laggard firms in cosmetics and banking, we show how leaders used dual investment strategies – reducing labor market imperfections and enhancing internal resources - to mitigate the effects of institutional constraints on capability development. Dual investment strategies improve firm’s capabilities by grafting micro-level resource investments onto macro-level ones so as to create synergies rather than trade-offs between them. The key to achieving these synergies is to develop targeted Corporate Social Responsibility initiatives that are tightly coupled with the firm’s operations and appropriate governance of cross-sector collaborations to create efficient co-learning arrangements.
EXHIBITORS

Wiley-Blackwell

Harvard Business Publishing

Cengage Learning

Routledge

CEO Academy

Oxford University Press

McGraw-Hill Education

ECCH
Your strategic choice for management case studies

The Case Centre (previously ecch) holds the world's largest collection of management case studies and is a leading source of knowledge and expertise in the case method. We distribute cases on behalf of all the major business schools and internationally respected authors worldwide.

- Choose from over 14,000 strategy cases, instantly available to educators for preview and purchase
- Receive free monthly updates listing the latest strategy cases
- Browse over 9,000 articles from key journals including the Harvard Business Review
- Take advantage of free cases to use with your students
- Sharpen your case teaching and writing skills on one of our popular training courses
- Distribute your cases globally via The Case Centre
- Enter our prestigious case writing and teaching competitions
- Read our free on-line newsletter for case reviews, features and news.

The Case Centre is a not-for-profit organisation dedicated to promoting the case method in management education. Find out more, become a member, and join our worldwide community:

e info@thecasecentre.org
t +44 (0)1234 756410
w www.thecasecentre.org
Strategic Innovation Simulation: Back Bay Battery V2
Clayton M. Christensen, Willy Shih

In this single-player simulation, students will:
- Assess market opportunities
- Grapple with the classic innovator’s dilemma
- Strategically distribute research and investment funds

“\textit{The simulation has been a huge success with my students, who stayed focused and engaged for two hours. It is definitely the best way to teach the ‘innovator’s dilemma.’}” — Review on the HBP for Educators web site*

\textit{*Reviews available to registered Premium Educators}

CASE ANALYSIS COACH
Ideal for Students New to Learning with Cases
Delivered entirely online, the Case Analysis Coach prepares students to analyze, discuss, and write about cases.

- Requires interpretation of both qualitative and quantitative data
- Includes a Case Analysis Worksheet that students can use repeatedly to analyze cases assigned for coursework
- Free trial online for Premium Educators
- Discounted student price of US $3.95 when delivered through a coursepack

\textit{*Reviews available to registered Premium Educators}
Leading the Way in Management from Cornerstone to Capstone

Visit www.cengage.com to learn more and reserve your review copy today!
Strategic Operations Management, 3rd Edition
By Steve Brown, John Bessant, Richard Lamming

Paperback: 978-0-415-58737-2: $71.98 Discount Price: $57.58*

This revitalized new edition of Strategic Operations Management focuses on the four core themes of operations strategy, a vital topic for any company's objectives: strategy, innovation, services, and supply. Expertly authored by a team of Europe's top scholars in the field, the text is enhanced by the addition of new case examples, graphic images, learning objectives, discussion questions, and suggestions for further reading. In addition, the companion website offers a comprehensive set of web links and videos to augment the learning experience. This truly comprehensive volume underscores the differences between the core theories that underpin operations management.

Students taking MBA, MSc and MBM classes on operations management, advanced operations management, and strategic operations management will find this textbook fulfills all their requirements whilst advanced undergraduate classes in these areas will also find the book an essential read.

Table of Contents

Part 1: Setting the Scene
1. Introduction to Operations Management 2. Strategic Operations Management

Part 2: The Big Picture of Strategic Operations
6. Human Resources in Operations Management

Part 3: Managing Strategic Operations within Organisations

Part 4: The Future
12. The Future of Operations Management

Steve Brown is Professor of Management at the University of Exeter Business School, UK

John Bessant currently holds the Chair in Innovation and Entrepreneurship at the University of Exeter Business School, UK

Richard Lamming is Visiting Professor of Supply Chain Management at Manchester Business School, UK

* Offer cannot be used in conjunction with any other offer or discount and only applies only to books purchased on the Routledge website.

For more details please contact Jennifer.Ellis@tandf.co.uk

Visit our website for more information and online ordering: www.routledge.com
3 Levels of Strategic Complexity

**GlobStrat "Business"**
360° Capstone Simulation

Team Building & Business Strategy

**GlobStrat "Corporate"**
Strategic Management Dynamics

Direct Competition - Innovation
Differentiation - Competitiveness
Diversification - Specialization
Globalization - Strategic Alliances

**GlobStrat "Triple Bottom Line"**
Sustainability & Corporate Social Responsibility

Undergraduate, MBA, Executive
English, French, Spanish
Fully web-based

www.GlobStrat-Academy.com
JOURNALS
FROM OXFORD UNIVERSITY PRESS
Read these FREE Special Issues online

INDUSTRIAL AND CORPORATE CHANGE
Special Section: The Heterogeneity of Innovation: Evidence from the Community Innovation Surveys
www.oxfordjournals.org/page/4923/19

SOCIO-ECONOMIC REVIEW
Special Issue: Asian Capitalisms: Bringing Asia into the comparative capitalism perspective
www.oxfordjournals.org/page/5080/2

JOURNAL OF ECONOMIC GEOGRAPHY
Special Issue: Global Retail and Global Finance – Honouring Neil Wrigley
www.oxfordjournals.org/page/5046/13

ENTERPRISE & SOCIETY
Special Issue: Business and Nature
www.oxfordjournals.org/page/5093/3
Discover a better way to LEARN
Active learning through strategy simulations

- Airline
- Corporation
- StratSimMarketing
- StratSimManagement
- StratSimChina

Strategic Management
Corporate Strategy
Marketing Strategy
International Strategy

www.interpretive.com
Georgia Tech Scheller College of Business

Prestigious Programs. Proven Results.

Georgia Tech Scheller College of Business develops leaders with a deep understanding of how technology and globalization are changing the world of business.

Located in Technology Square, at the heart of Midtown Atlanta’s thriving business community, the Scheller College is internationally recognized for offering a range of exceptional educational programs:

Undergraduate • MBA (Full-time and Evening) • Executive MBA Program in Global Business
Executive MBA Program in Management of Technology • PhD • Customized Executive Education Programs
<table>
<thead>
<tr>
<th>Name</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zajac, Edward</td>
<td>7, 50, 81, 130</td>
</tr>
<tr>
<td>Zamarsky, Vitezslav</td>
<td>59</td>
</tr>
<tr>
<td>Zargarzadeh, Mohammad Amin</td>
<td>129</td>
</tr>
<tr>
<td>Zavyalova, Anastasiya</td>
<td>115</td>
</tr>
<tr>
<td>Zaytsev, Dmitry</td>
<td>78</td>
</tr>
<tr>
<td>Zenger, Todd</td>
<td>20-21, 41, 107</td>
</tr>
<tr>
<td>Zhang, Jing</td>
<td>90</td>
</tr>
<tr>
<td>Zhang, Yan</td>
<td>29-30, 123</td>
</tr>
<tr>
<td>Zhang, Yu</td>
<td>21, 55</td>
</tr>
<tr>
<td>Zhao, Eric Yanfei</td>
<td>87</td>
</tr>
<tr>
<td>Zhao, Yijiang</td>
<td>101</td>
</tr>
<tr>
<td>Zhao, Ying</td>
<td>52</td>
</tr>
<tr>
<td>Zhao, Zheng</td>
<td>21, 98</td>
</tr>
<tr>
<td>Zhao, Yuanyuan</td>
<td>123</td>
</tr>
<tr>
<td>Zhou, Kevin</td>
<td>62</td>
</tr>
<tr>
<td>Zhu, Feng</td>
<td>9-10, 21, 55</td>
</tr>
<tr>
<td>Zhu, Hongguan</td>
<td>63</td>
</tr>
<tr>
<td>Zimmermann, Alexander</td>
<td>21, 45-46</td>
</tr>
<tr>
<td>Zollo, Maurizio</td>
<td>7, 21, 30, 64, 117</td>
</tr>
<tr>
<td>Zorn, Michelle</td>
<td>63</td>
</tr>
<tr>
<td>Zott, Christoph</td>
<td>11, 59</td>
</tr>
<tr>
<td>zu Knyphausen-Aufsess, Dodo</td>
<td>120</td>
</tr>
<tr>
<td>Zuzul, Tiona</td>
<td>77</td>
</tr>
</tbody>
</table>
Strategies in a World of Networks

PROGRAM CHAIR
Africa Ariño
IESE Business School

ASSOCIATE PROGRAM CHAIRS
Alejandro Beltrán
McKinsey
Pascual Berrone
IESE Business School

madrid.strategicmanagement.net

Startup and Restart Strategies

CONFERENCE CO-CHAIRS
Gary Dushnitsky
London Business School
Niron Hashai
Hebrew University
Dovev Lavie
Technion-Israel Institute of Technology
Ithai Stern
Northwestern University

telaviv.strategicmanagement.net

Micro-Foundations for Strategic Management Research: Embracing Individuals

CONFERENCE CO-CHAIRS
Nicolai Foss
Copenhagen Business School
Torben Pedersen
Copenhagen Business School

copenhagen.strategicmanagement.net

Strategic Management in the Asian Century – Dealing with Dynamism, Diversity and Development

PROGRAM CHAIR
Siggi Gudergan
University of Newcastle

ASSOCIATE PROGRAM CHAIRS
Garry Bruton
Texas Christian University
Vikas Kumar
University of Sydney
Mike Peng
University of Texas-Dallas
Elizabeth Rose
University of Otago

sydney.strategicmanagement.net
a professional society for the advancement of strategic management

The Strategic Management Society (SMS) is unique in bringing together the worlds of reflective practice and thoughtful scholarship. The Society consists of nearly 3,000 members representing over 80 different countries. Membership, composed of academics, business practitioners, and consultants, focuses its attention on the development and dissemination of insights on the strategic management process, as well as fostering contacts and interchange around the world.

The Society is probably best known through the Strategic Management Journal (SMJ) published by John Wiley & Sons. This Class A journal has become the leading scholarly publication in the field of Strategic Management and is consistently rated one of the top publications in the management area. In 2007 the Society launched the Strategic Entrepreneurship Journal (SEJ) and in 2010 the Global Strategy Journal (GSJ). The intent is for these new quarterly publications to soon also become Class A journals and to promote the development and dissemination of advances in the field by maintaining the highest standards of intellectual thought combined with practical relevance, just as their sister publication SMJ has done for many years.